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Prepared by the

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SOME FINANCIAL ASPECTS OF DEVELOPMENT

PROGRAMMES IN ASIAN COUNTRIES¹

The present paper is divided into four parts: I. The investment-income ratio and the size of the programmes, II. Public investment and taxation, III. Inflation, and IV. Summary and conclusions.

In the first two sections an attempt is made to estimate the ratio of investment to income and to show the high cost of industrialization in under-developed countries in the ECAFE region, where public investment appears in the initial stages to be more important than private investment. In view of the political inadvisability of building up the capital of a country mainly through the accumulation of private fortunes, and of the limited prospect of foreign aid and investment, public capital may be built up by means of taxation or inflation.

This leads to a consideration in the third section of inflation in its manifold aspects: its measurement and its effects on real income, on prices, on investment and on the balance of payments.

I. THE INVESTMENT-INCOME RATIO AND THE SIZE OF THE PROGRAMME

The purpose of a development programme is to increase national income. Its effectiveness depends partly on whether the programme is well devised, in the sense that it has the right priorities. But, however well the programme may be devised, its effectiveness in raising national income depends also on its size. It seems certain that the development programmes of the ECAFE countries, while they may prevent the standard of living from falling, are at present in most cases too small to raise the standard of living.

It is not possible to estimate precisely what the effect on national income will be of any particular level of investment expenditures. Fairly precise estimates can be made for individual items of investment, but when we try to estimate an investment-income ratio for the economy as a whole, we enter a field where both the conceptual problems and the shortage of relevant

statistics defy precision. Nevertheless, various statisticians have made the attempt.² Their conclusion may be summed up by saying that a one per cent per annum increase of national income seems to be associated with somewhere between three per cent and five per cent net annual capital formation. This conclusion is in line with estimates of the stock of capital goods in various countries, which put the value of national wealth usually at between three times and five times the value of annual national income.

An estimate which has frequently been made relates to the cost of industrialization. This calculation runs as follows:

Each worker in industry needs an average of say \$2,500 of capital.³ Suppose that there are 1,000 persons in a country, of whom 350 are gainfully employed. If one per cent of the employed persons, (i.e. $3\frac{1}{2}$ persons), who are engaged in agriculture, be transferred to industry, the capital cost will then be \$8,750. Suppose the per capita income of a country is \$60 and its national income \$60,000. As persons engaged in industry generate incomes of say 2.5 times as great per head as do persons engaged in agriculture (after allowance is made for depreciation of capital), transferring one per cent of the population from agriculture to industry might increase national income by about \$900, or 1.5 per cent, thus giving an investment-income ratio of 8,750 : 900, or approximately 10 : 1. This high ratio may be due partly to over-estimating the cost of capital per head, but this does not seem likely. Or it may be due to taking national income per head at too low a figure. If we took it at \$100 per head, the ratio would become 8750 : 1500 or 5.8 : 1. Or it may be due to under-estimating industrial productivity, though this again is unlikely. What the high ratio principally shows is the high cost of industrialization in countries where national income is low and where much of the equipment has to be imported from abroad at prices which are high in relation to local productivity.

1. This was prepared for the Division of Trade and Finance of the ECAFE Secretariat in connection with its project on "Analysis of financial aspects of economic development programmes."

2. For example E. H. Stern "Capital Requirement in Progressive Economies," *Economica*, August 1945; Collin Clark, *The Conditions of Economic Progress*, 2nd Edition; Ch. W. Fellner, "The Capital Output Ratio in Dynamic Economics," in *Essays in Honour of J. H. Williams*.

3. See United Nations, *Measures for the Economic Development of Under-developed Countries*, page 77.

By contrast, a team of United Nations experts has suggested that the possibilities for technical improvement in agriculture are such that investing four per cent of national income in agriculture (including one per cent to be spent on extension and research) might increase national income by one per cent annually.¹

The wide range of estimates of the ratio of investment to income emphasizes how little we know about the subject. Nevertheless, existing information is enough to support the conclusion that, in countries where population is increasing by $1\frac{1}{2}$ per cent per annum or more, an annual net investment of 5 per cent or less of national income is not enough to raise the standard of living and may not even be enough to prevent the standard of living from falling, unless it is also supported by very favourable changes in the terms of trade.

In countries which are developing rapidly, annual net investment usually runs at about 15 per cent of national income, or more. If population is increasing by $1\frac{1}{2}$ per cent per annum, this seems to be consistent with the average standard of living increasing by about $1\frac{1}{2}$ to 2 per cent per annum.

At present in Western European and North American countries the standard of living rises by between $1\frac{1}{2}$ and 2 per cent per annum. In some of the countries of Eastern Europe, including the U.S.S.R., annual capital investment is much greater than in Western Europe, and the rise in production is also greater, though this is not necessarily reflected in a more rapidly increasing standard of living. It seems quite safe to say, that at current levels of capital formation in Asia—around 5 per cent net per annum—the difference between the standard of living in Asia and in Europe and North America must widen year by year, and that the relative difference cannot even be maintained unless capital formation in Asia approximates 15 per cent per annum net, or more.

II. PUBLIC INVESTMENT AND TAXATION

Investment in public services. The figures of capital investment which we have been using so far relate both to investment in public services and to investment in the "productive" sectors of the economy (including manufacturing, agriculture, public utilities, etc.).

It is equally hard to say what is the appropriate division of capital formation between these two spheres. In 1950 gross capital formation (previous figures were net) in the United Kingdom was 3 per cent of national income in the public sector and 14 per cent of national income in the private sector, similar figures for other countries being Belgium 4.2 and 8.6, Denmark 4.3 and 20.6, Finland 5.2 and 25.2, France 1.2 and 11.2, and New Zealand 7.7 and 18.2. These figures² classify

investment in public industrial enterprises in some cases in the public and in some cases in the private sector, so they are not strictly comparable. Nevertheless, they give some idea of the importance of public investment expenditures in fairly advanced countries.

From figures given in the *Economic Survey of Asia and the Far East, 1951* it may be calculated that public investment expenditures in Asia in 1950 were, in relation to national income, approximately, Burma 2.4 per cent, Ceylon 4.5 per cent, India 2.5 per cent, Malaya 0.5 per cent, and Philippines 2.1 per cent. Assuming no additional incentive to private investment in most of the Asian countries it would take something like a doubling of the present rate of public investment to reach an adequate level. If in addition private enterprise were to be restricted, the present levels of public investment in these countries would need to be multiplied many times to make up for what is needed.

At the same time current political attitudes in Asia seem to demand that the ratio of public to private enterprise should be greater than is currently the case in Western Europe. It is also suggested that some of the funds used by private entrepreneurs should be loaned to them by the government through public financial institutions, in which case the amount of capital which the government must raise in one way or another becomes even greater.

Some analysis of the process of capital formation in rapidly developing economies is necessary if the role of government finance in this matter is to be fully understood.

How does it come about that a country in which net capital formation has for many generations been less than five per cent per annum net (say 10 per cent gross) converts itself into a country with net 12 per cent (say 20 per cent gross) within a few decades? The answer is not that the general public voluntarily starts to save that much more. In the United Kingdom and the United States, personal savings from disposable income seldom exceed 4 per cent, even though gross investment may be as high as 18 to 20 per cent of gross national income. All the difference is "forced" saving, namely, either capital formation financed from taxation, or undistributed profits of companies used to finance maintenance and new investment.

Currently, much of the emphasis on the mobilization of domestic capital is on increasing personal savings from disposable income in this region, through developing postal savings, credit unions, insurance companies, building societies and similar institutions. This is well worth doing, since estimates indicate that these savings are currently 1 to 2 per cent of national income or less; if the development of these institutions were able to raise this figure to nearer 3 per cent, it would be a worth-while achievement.

1. *Ibid.*, page 78.

2. United Nations, *Statistics of National Income and Expenditure*, Table 6, 1952.

All the same, capital formation cannot reach the required levels in Asia unless either there is an enormous increase in private profits not being distributed, or there is an enormous increase in the share of national income taken in taxation, or both.

In private capitalist economies, rapid economic development usually takes place against a background of rising prices which simultaneously increases profits and also provides the incentive to reinvest these profits in fixed assets, whose money value rises steadily as the inflation proceeds. The classical case of this is the British Industrial Revolution, 1750-1820, which took place on the background of the French wars, of rising prices and of inflationary profits. There is a unique correlation between changes in the price level and capital formation: when prices are falling capital formation is low; when prices are rising capital formation is high.

The counterpart of this process is that vast private fortunes are built up. Production grows more rapidly than consumption (this is just another way of saying that capital formation increases). The difference is in reinvested profits, concentrated in the hands of a few people, whose personal fortunes increase enormously. In the process, of course, the general standard of living rises. Rich men consume only a small part of their income, and that part which they reinvest provides employment and increases productivity and real wages.

Nevertheless, this way of building up the capital of a country has always given rise to great political offence. The only feasible alternative is to build up capital on public account. This once more involves that production grows faster than consumption, the difference being taxed away. It requires the proportion of the national income taken in taxes to increase very steeply, so that it eventually would include both the 15 per cent or so which modern welfare governments need for current purposes and another 20 per cent or so for gross capital formation. This is the sort of level of taxation which socialist governments have to attain: around 35 per cent of gross national income.

The governments of this region are very far indeed from such levels. In 1950 the ratio of current government revenues to national income was: Philippines 6 per cent, India 8 per cent, Malaya 11 per cent, Burma 15 per cent, and Ceylon 19 per cent. Without prejudice to the question whether capital formation in industry should be largely on private or on public account, it is perfectly clear that the share of the national income taken in taxation in this region must enormously increase if governments are to play an adequate role in economic development.

This conclusion is inescapable even if there should be a considerable increase in foreign aid and in foreign investment in Asia. The gross national income of ECAFE countries in 1950, excluding China and Japan,

was probably about \$50,000 million. Foreign aid and investment equal to one per cent of this would be \$500 million. The amount of foreign investment and aid currently available is not precisely known, but it is certainly nowhere near this figure. And the amount provided to Western Europe in 1948 and 1949 would make possible substantial capital formation; it would be about six per cent of national income (\$3,000 million a year), but it does not seem likely that aid on this scale, or any considerable scale, will be forthcoming to the ECAFE region in the near future. It is therefore necessary for the ECAFE countries to pull themselves up by their own bootstraps, if they are to pull themselves up at all.

Another way of building up public capital, which involves neither high taxation nor large foreign aid, is to encourage people to give unpaid labour for public works. This is hardly feasible in urban areas, or for public works which cover wide areas and benefit many different regions. But experience has shown that in the small villages, villagers are willing to work communally on projects which are of immediate benefit to the village, such as building minor roads or bridges or irrigation or drainage channels; or constructing schools, wells, community centres and other works which the villages will themselves be using. This effort can be organized fruitfully where governments are willing to make some contribution, such as paying for the materials used, and for skilled labour not available in the village. Several governments in Asia have begun to organize this work. Much useful capital formation can be done in this way, but since it has to be confined to minor works of direct interest to small villages, it is unlikely to exceed 1 or 2 per cent of national income.

There is no means of escaping the conclusion that the share of the national income going in taxes must be greatly increased, if governments are to play an adequate role in economic development.

Taxation and national income. The problem involved in securing a larger share of the national income in taxes may be classified as: (i) tax revision, (ii) adequate tax enforcement, (iii) an adequate range of taxes, (iv) adequate gradation of taxes, and (v) the attitude of the public towards taxation.

(i) *Tax revision.* Far from increasing their share of the national income, many countries in the region have difficulty in maintaining the relative shares of taxes in national income in conditions of rising prices because they fail to revise quickly enough those of their taxes which are levied as specific sums and not in proportion to money values. This applies to land taxes, to many import, export and excise duties, and to stamp duties and other fees. Such taxes are for this reason more appropriately levied on the *ad valorem* or proportionate bases, than on the specific basis; and, where this is not feasible, as with land taxes, they ought to be revised frequently, as the value of money changes. This applies

also to the charges levied by public undertakings—railways, tele-communications, electric power, tramways and such—whose prices frequently lag behind the general price level, to the embarrassment of the exchequer and also of the undertakings themselves, which in extreme cases fail to earn enough even to replace capital. There should be provision for rapid revision of the prices of all public utilities.

Governments are frequently reluctant to increase charges for public services lest they be accused of contributing to inflation. It should, however, be noted that they contribute to inflation if they fail to withdraw enough purchasing power from circulation. If tram fares are kept low, the money which the public thus saves is spent on other commodities, whose prices therefore rise all the more. The effect of controlling prices in the government sector is to inflate the uncontrolled prices, and so to distort price ratios and the use of resources. It would be better that all prices in the economy should be allowed to rise in much the same proportion.

(ii) *Tax enforcement* in ECAFE countries is lax, and evasion of income tax considerable. Much of this could be remedied. In the advanced industrial countries there are many tax experts in government service who have specialized in problems of tax evasion, and know how to outwit would-be evaders. Any country which has sought the advice of such an expert has always been amply rewarded by increases in tax revenues which are from twenty to one hundred times the cost of the operation. Such advice is available under the United Nations Expanded Programme of Technical Assistance, and more use should be made of it.

(iii) *An adequate range of taxes.* However, even if enforcement were adequate, the income tax could not be expected to yield as large a proportion of government receipts as it does in wealthier countries. This is because the proportion of the population whom it is feasible to tax in this way is much smaller. In India, for example, a preliminary estimate of the distribution of the national income¹ suggests that persons whose annual income exceeds 2,500 rupees receive altogether only 19 per cent of the national income. Since not all incomes over 2,500 rupees are taxable, the proportion of the national income which could be mobilized by the income tax, even if there were no evasion whatsoever, is necessarily small. It is therefore inevitable that indirect taxation must play a much greater role in Asia than it does in wealthier regions.

One of the disadvantages of indirect taxation is the cost of collecting it. This cost is least where most of the goods used in the community pass at some point through a few hands. Thus, in advanced industrial countries where a large part of output is made by a small number of large producers, excise taxes on purchases or sales which can be levied upon manu-

facturers or wholesalers at small cost, may reach most of the national income. Again, where an economy is largely dependent upon foreign trade, a large part of the national income passes through the hands of a few wholesale dealers, at a few ports, and a relatively small customs service can collect a very large revenue. The extent to which the countries of this region depend on foreign trade varies widely; in 1950 the ratio of exports to national income was: India 6 per cent, Philippines 10 per cent, Thailand 15 per cent, Burma 25 per cent, Ceylon 45 per cent, and Malaya 75 per cent. In countries at the upper end of this scale it is easy to collect indirect taxation cheaply, but in countries at the lower end greater reliance has to be placed upon excise and sales taxes, which are costly to collect because the number of small producers (including peasants and cottage industries) and of small traders is so very large.

One of the canons of taxation is for this reason to select a small number of articles which are in common use and to tax these heavily rather than to try to collect taxes on a large number of articles at a moderate rate. This accounts for the popularity with Finance Ministries of such articles as tea, salt, cigarettes, alcoholic beverages, and of cinemas and other popular entertainments. To concentrate on articles in popular use ensures that even the poorest members of the community pay taxes; and this is correspondingly unpopular with persons who believe that most of the revenue needed by the government can be raised from the middle and rich classes. This belief cannot survive even the briefest examination of the relevant statistics, but is nevertheless widely held.

(iv) *Adequate gradation of taxes.* Another principle which is very important in this region is that, however low the average ratio of tax revenue to national income may be, taxes should be so graded that as income increases something like 40 per cent to 50 per cent of the increase should automatically be sucked up by taxation. This principle is important for two reasons. First, it is the surest way to check inflation. And secondly, it ensures that government revenues will rise faster than the national income, not by reducing money incomes currently available to the public, but by taking a large share of any increase. Since under conditions of rapid development there is a tendency towards inflation, and since it is urgent to increase the ratio of taxes to national income, this principle is of special importance.

At present taxes do not take anything like 40 per cent to 50 per cent of marginal income. Indeed, in many countries the marginal ratio of government revenue may well be less than the average. So many taxes and charges for government services are on a specific rather than an ad valorem basis that, as money incomes and prices rise, many governments have serious difficulty in preventing their share of the national income from falling. It would seem that in all the countries of the region tax structures need drastic revision from this point of view.

1. "The Pattern of Income and Expenditure in the Indian Union," by M. Mukherjee and A. K. Ghosh. (unpublished manuscript).

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The income tax is a tax well suited to differentiating between average and marginal rates, and, if properly enforced and put on to a pay-as-you-earn basis (for profits as well as for wages and salaries), would help to ensure that governments received an increasing share of national income. But indirect taxes can also be made to serve this purpose. The method of doing this is to put much higher rates of taxes upon "luxuries" than upon "necessaries," "luxuries" being defined for this purpose as the goods and services towards which increases in income are devoted. If governments are to receive 40 per cent to 50 per cent marginal incomes, there ought to be a fair range of luxury articles on which indirect taxes are levied at rates of 75 per cent to 100 per cent or more.

(v) *Attitude of the public towards taxation.* The unwillingness of the public to pay an adequate amount in taxes drives many governments to pursue inflationary policies, by which means they secure a larger share of national resources without having to resort to imposing additional taxation. It is indeed doubtful whether the governments of this region can sharply increase their share of national income in any other way. Real national income per head grows so slowly, if it grows at all, that if governments were confined to taking some share of the growth of real income, their revenues would grow very slowly.

III. INFLATION

The Measurement of Inflation. Inflation is generated at three points of the economy: (a) by the excess of exports (X) over imports (M), including invisible items; (b) by the excess of private investment (I) over private saving (S)¹; and (c) by the excess of government spending (G) over government receipts (R), excluding government borrowing. These three differences may have positive or negative signs. If they cancel out, there is no inflation. Then,

$$(X - M) + (I - S) + (G - R) = 0.$$

One of the differences must have a different sign from the other two if the three are to cancel out. Thus there will be no inflation at home if the difference between investment and saving, and between government expenditure and receipts is exactly offset by borrowing abroad. Or, there will be no inflation if private saving is appropriately larger than private investment, so that the excess of private saving offsets lending abroad and budget deficit. And, again, there will be no inflation if the government budgets form a surplus large enough to offset the excess of investments and the excess of exports. This last is the formula which governs the fiscal policies of many modern governments. They adjust their budget surplus or deficit to a level which exactly offsets the inflationary or deflationary forces

being generated by the export-import difference, and by the investment-savings difference. This is the only way to measure inflation. We cannot assess the amount of inflation simply by looking at the budget alone; there may be deflation although there is a budget deficit, and inflation although there is a budget surplus. It is not, therefore, useful to speak of measuring the inflationary impact of a development programme, unless what we really mean is measuring all the inflationary and deflationary forces in the economy simultaneously.

The main difficulty which governments in this region have in assessing the inflationary effect of their fiscal policies is that they do not have adequate information about private investment and private savings. X, M, G and R are known; I is known with greater or smaller exactness after it has taken place, whereas, for budgetary policy it ought to be known in advance; and S is not known at all.²

Inflation and Real Income. What we have been measuring in the preceding section may be called the primary inflation. When incomes thus generated are spent, they give rise to further increases in income to an extent which is determined by the investment multiplier. The total increase in income is therefore in due course larger than the primary increase in the period we have measured.

All this refers to money income. Real income may or may not increase as money income increases. If real income does not increase at all, the extra flow of monetary income results merely in higher prices, or in larger monetary hoards, or both.

The effect of rising money income on real income depends in the first place on whether or not the economy is fully employed. Let us assume that the cause of the inflation is government spending on capital formation under a development programme. If the economy were fully employed, this spending could be achieved only by taking labour away from other purposes. National output would not increase; the government would use more of it, and other people less. This kind of inflation is the most onerous, since it usually involves lowering the standard of living by reducing consumption.

If the economy is not fully employed there is already a substantial difference. The programme may give work to the unemployed. There is then no reduction of other output, and no fall in total consumption by the community. Real output is increased by the amount of the government's expenditure.

1. Saving here is defined as the amount people would be willing to save out of their current incomes. Involuntary saving, due merely to the fact that people have not yet spent income which they intend to spend, does not count as saving.

2. National income statistics sometimes give an estimate of S, which shows how much has been saved during the year. This, however, is not the figure we require for calculating inflation. As the preceding footnote explains, what we want to know is not how much people will save, but how much they expect to save. They will always save as much as the investment situation requires them to save, whereas what we want to know is how much they would have saved in the absence of inflation. In national income accounting S is always equal to $I + (X - M) + (G - R)$, because S is so defined that it already includes the inflationary projects which we are seeking to trace.

Now, in the countries of Asia there is considerable unemployment and under-employment. If national output and capital formation can be increased simply by printing money and by employing the under-employed, without reducing national consumption, why do not the governments of the region proceed to increase capital formation in this way?

The answer is that, though there would be no fall in total consumption there would be some redistribution of consumption, and that the processes of this redistribution are painful.

We can see the consequences best by following up the money which has been paid out in wages to the previously unemployed. These wage earners seek to buy consumer goods. But there are no more consumer goods to buy, since what they have been producing is not consumer goods, but capital goods. It may therefore at once be asked, why not avoid the subsequent troubles by employing the unemployed to produce consumer goods instead of capital goods? There would then be an extra flow of consumer goods to match the extra flow of money. The answer is that this would indeed be the best policy if it were feasible, but it is not feasible because consumer goods cannot be produced without capital equipment. Hence more capital goods must be produced before more consumer goods can be produced. The best policy is then to use the initial stock of capital goods to produce more capital goods so that the number of persons who are brought into employment, eventually to produce consumer goods, can be multiplied fairly rapidly.

We return therefore to follow the flow of money. Some of the consumer goods bought with it are imported goods, and since domestic output of consumer goods has not increased, there is considerable danger that the result of the programme may be a large increase in imports of consumer goods. If the country has large reserves of foreign exchange, it can afford to tolerate this increase in imports. Otherwise, it has to impose strict exchange and import control.

The flow of money therefore depletes the stock of consumer goods. In an industrial country with unemployment and idle factories, the effect would be that orders for new goods would be given, and that some factories would open and provide more employment. This is why deficit financing is considered to be the sovereign remedy for unemployment in industrial countries; since, for every one man put into employment by government expenditure, still more men are drawn into employment as a secondary result.

This secondary expansion of output is, however, possible only where there is idle capital which can be used to expand the output of consumer goods. This is hardly the case in Asia. As the workers get more money, they use some of it to buy more food, but the output of food is not responsive to extra money demand;

on the contrary, it is possible that as the price of food rises, farmers may consume more at home, and may even in extreme cases produce less, the consequences in either case being to diminish the amount of food available on the market. The workers also use some of the money to buy more clothes, and this output also does not expand unless there is idle capacity.

If the domestic output of consumer goods does not respond appropriately prices rise. The total supply of consumer goods is not reduced, but their distribution is altered. The workers on the government's programme get more than they would have got if they had remained unemployed, while the rest of the public gets less. From this point of view the effect is the same as if the government had financed its programme not by creating money but by levying taxes upon the general public. In an economy where output does not respond to an additional flow of money, inflation is a kind of substitute for taxation.

Increasing the flow of goods. To create capital by means of deficit financing is no better, in the economic sense, than to create capital out of taxation, *unless the process also simultaneously causes the output of consumer goods to expand.* It may be better in a political sense, even if the output of consumer goods does not expand, if it is true that the capital is urgently required, and that it is not politically feasible to find additional taxes to finance it. But the economic superiority of deficit financing over taxation lies exclusively in the possibility that injecting extra money into the system produces not only the capital on which the money is spent, but also, by the working of the multiplier, an extra output of consumer goods. The multiplier works when extra money is injected into the system; it does not work if the money spent on a project has merely been taxed away from private spenders.

Creating new money is therefore superior to financing capital formation out of taxes if the situation is such that an extra output both of capital goods and of consumer goods is feasible. The main drawback, in Asian economies, is that the extra output of consumer goods is feasible, but cannot be achieved merely by putting more money into circulation. A possible solution is therefore to use some of the new money on programmes designed to break those bottlenecks which prevent a rapid expansion of output, since, if output can be made to expand *pari passu* with the additional flow of money, there will be no inflationary increase in prices. The first stage in any programme based on deficit financing is to concentrate on breaking bottlenecks.

One of the major bottlenecks is the production of food. In economies where the standard of living is as low as it is in Asia, a large percentage of extra money incomes generated will be spent on food. If the bottlenecks which hold down food production could be broken, the inflationary dangers of deficit financing could be greatly reduced.

Now most agricultural experts in the region agree that yields per acre, which are low, could be raised by an average of 30 per cent over ten years if a concentrated attack were made on the problem. This is a conservative estimate, much below what has already been achieved in areas where concentrated agricultural extension has been done experimentally. Less cautious estimates range up to 100 per cent increase. Generally accepted figures are a 10 per cent to 15 per cent increase due to use of better seeds, up to 20 per cent increase due to use of fertilisers, up to 10 per cent increase (average over large areas) due to irrigation and wells, and 5 per cent to 10 per cent increase due to use of pesticides. The main obstacle is that there are not enough agricultural extension workers in the field, and that the facilities need to be increased for training such workers, and for making available better seeds, fertilisers, pesticides and water.

Deficit financing for an agricultural programme designed to increase yields by 30 per cent over ten years seems entirely justified. A greater flow of money will be matched by a greater output. The two are not likely to match exactly; nevertheless they will to some extent offset.

The other main bottleneck is the supply of manufactured consumer goods. These are available from two sources, from cottage industries and from modern factories.

There is considerable under-employment among the cottage industry workers of this region. If extra money were put into the economic system, some of it would flow towards them, and they would respond by increasing output. It would be necessary to ensure them adequate supplies of raw materials, especially of cotton yarn, pig iron, timber and leather, some of which materials would have to be imported. Cottage industries are also handicapped by poor marketing arrangements, and by the use of equipment which could be improved in relatively simple ways. Most countries in the region have a programme for improving the techniques of cottage industries. Deficit financing for such a programme seems, again, to be a reasonable proposition. The extra expenditure will be matched by an extra flow of consumer goods.

In under-developed countries, the expansion of cottage industries had, over the expansion of factory industries, the advantage that the capital required per man is relatively very small. If there were deficit financing for the establishment of factory industries it is again arguable that the extra flow of money would in the long run be matched by an extra expansion of consumer goods; but in the long run we should all have experienced inflation. We have reason to expect the output of food and of cottage industry goods to expand rapidly in response to relatively small expenditures; comparatively, the output of modern industries demands large expenditures which are only slowly accompanied by increased output.

The principal bottleneck preventing the expansion of factory industry is absence of the necessary machinery. The only countries in this region where large quantities of machinery might be made, are India, Japan and China. In India there is the further bottleneck that the current output of steel is very low—less than one and a half million tons per annum, for a country with a population of 350,000,000. India has large resources of iron ore and of coal, and much experience of steel making and of engineering. If her steel output were stepped up rapidly, her output of machinery could also be greatly increased, and, at the next stage she could have also a large increase in the output of consumer goods. Deficit financing for the purpose of building up the steel-machinery-manufactured-consumer-goods complex would be inflationary, but it is not to be classed with deficit financing for war or for maintaining a large civil service, since it would result in breaking a bottleneck, and ultimately in producing the consumer goods which would match the additional money incomes. Inflation for destructive purposes often becomes cumulative, and gets out of hand. But inflation for the purpose of creating the capacity to produce consumer goods is self-destructing since, sooner or later, the output of consumer goods begins to reach the market and a new monetary equilibrium is attainable.

Thus, from the economic point of view, there is nothing to be said for deficit financing which merely supports large armies, or subsidises food consumption, or maintains an elaborate civil service, or creates large numbers of primary school buildings whose contribution towards increasing output will, if any, be remote. But deficit financing of programmes which are likely to expand the output of consumer goods in the near future is quite a different kettle of fish. For even though they may cause some temporary inflation, they may be expected rapidly to restore monetary equilibrium at a level of output and of real income higher than could otherwise have been achieved.

Part of the fear of using deficit financing for economic development programmes arises from the expectation that, once governments are allowed to embark upon deficit financing, they will not know where to draw the line. The great advantage of the principle that budgets must be balanced is that it allows the Minister of Finance to discipline his colleagues. They may plead most eloquently for the expansion of this service or that, but his position is impregnable so long as his budget has to be balanced. Once this principle is abandoned, what control remains over government expenditure? All discipline may be ended.

What is valid in this fear may perhaps be met by the following compromise. Take out of the ordinary budget those development expenditures which are expected to increase rapidly the output of consumer goods; especially expenditures on agriculture, including water, on cottage industries, on training facilities, and on other industrial projects which may fructify rapidly.

Then we may require that all the rest of the budget must be balanced either by taxes or by genuine borrowing from the public; while this special quick development budget may be met by creating money. There will still be need for discipline in determining what items should go into the special budget, and how much may be spent on them. There is no substitute for discipline.

Even this compromise may be too timid for some political situations. Is it, for example, never justifiable to finance industrial expansion by creating money, as has been done in the U.S.S.R.? Suppose that it were possible in this way to expand both the food and the steel and engineering output of India, so that in ten years the real national output of India would have increased by 50 per cent (say agriculture by 30 per cent and industry by 15 per cent of total national income). Suppose also that this could not be done without prices doubling or trebling in the process, and with corresponding devaluation of the rupee. Is this a price worth paying? Many economists, apparently, would answer "no," presumably because they think that inflation of this magnitude should always be avoided. But the political dangers of allowing an economy to stagnate may in some cases be greater than the political dangers of inflation. There are circumstances where it would be entirely right to finance a large capital programme by inflation, even though the output of consumer goods was slow to materialize, and even though prices rose considerably.

The main point which must be grasped firmly is that vague discussion of "inflation" is pointless. We must know why the inflation is occurring and what effects it is having on real output. Merely putting money into circulation is one thing; pursuing policies which break bottlenecks and increase the output of consumer goods is another, and it is not sensible to talk in blanket fashion of all policies which involve creating new money, as if they all have the same effects.

Inflation and prices. Even if the creation of new money is used only for financing developments which fructify rapidly, there is no reason to expect the flow of new money and the flow of new goods exactly to offset each other. It is possible that the agricultural programme may be so successful that in spite of the extra flow of money food prices fall. Alternatively it is possible, and probable, that at least in the first two or three years money may have to be spent more rapidly than extra goods result from it.

If money increases faster than goods, prices are likely to rise. One of the most important means of preventing this is to have a tax system which mops up automatically a large part of any extra money incomes created.

This principle is the main principle of war finance. It is the main reason why countries like the United Kingdom and the United States were able to go through

World War II, using up half their resources for war purposes, and yet came through the war with price levels only about 50 per cent above the pre-war level; while other countries, whose war effort was much smaller, had price increases of 200 per cent and 300 per cent and more. It is also the main reason why the United Kingdom since the war has been able to carry through a large programme of capital investment with only minor inflationary strains, when compared for example with France. In any economy where inflation is a possibility, the tax structure should be such that 40 per cent to 50 per cent of marginal money incomes is sucked up automatically, partly because marginal rates of income tax are high, and partly because indirect taxes at about the 100 per cent level have been placed upon the "luxury" articles towards which marginal income flows. This point has already been discussed in an earlier section, in the context that it is necessary to raise the average level of taxation. It is just as important in the context of preventing inflation.

If the money is spent in ways which expand output, and if 40 per cent or 50 per cent of it automatically returns to the government in taxes, the chance that the programme will cause the price level to rise is correspondingly reduced. However, if the programme of capital formation is at all large, or long in fructifying, there will still remain some money which is not mopped up by goods, not taken in taxes, and not hoarded. This money entering into circulation will drive prices up. A small increase in prices is tolerable. The real danger in inflation is that price increase may not only pass tolerable levels, but may also get out of hand. This may happen for two reasons, either because the inflation is transformed from a monetary inflation into a wage inflation, or else because violent speculative price movements are initiated.

A wage inflation can be a cumulative process. It works as follows. First, government expenditure raises prices. Then because prices are higher, workers demand and receive higher wages. These wages are paid by borrowing money from the banks. This bank money is an additional source of inflation. It pushes up prices further. So there is a further round of wage demands, still more bank money, still higher prices, and so on. There are leaks in the process, notably that, if the tax structure is such as to mop up much of marginal income, employers will suffer losses if they pay higher wages, because a good part of these wages will go to the government instead of returning to the market for goods. Nevertheless, this kind of inflation can proceed long enough and far enough to be dangerous. Obviously, it is most dangerous in economies which are largely based on wage labour; more dangerous in an economy like that of Ceylon than in an economy like that of Burma.

To prevent a monetary inflation from becoming a wage inflation, it is necessary for the government to stabilize the cost of living, especially food, clothes and rents. This is not easy to do, in countries where the

share of government revenues in national income is so small that the administrative service is poorly developed. It is all the more important in such countries to concentrate on breaking bottlenecks and on having a tax structure which mops up marginal income.

Speculation begins when prices are expected to rise at an annual rate which is higher than the rate of interest—say when prices are expected to rise by 8 per cent or 10 per cent per annum or more. When this process starts it also is cumulative. Stocks of food and raw materials are withdrawn from the market, and so prices rise even faster than they would otherwise have risen; this causes even more stocks to be withdrawn, and so on. This speculative rise may hurt the economy in two ways. The more important is that the withdrawal of stocks from the market creates shortages which hold up production. Also the rise in the price of commodities may raise the cost of living, and set off a wage inflation.

A speculative price inflation is easiest to prevent in economies where most of the food and raw materials are imported, since in such an economy the government may constitute itself sole importer, and can then control the use and disposition of stocks. In other economies attempts at price control lead to the emergence of a network of black markets which is more or less effective according to the efficiency of the administrative service.

It follows that inflation is much more dangerous to some economies than it is to others, according to how much they depend on foreign trade, to the size and efficiency of the administrative service, to the extent of the wage economy, to the nature of the tax structure, to the speed with which the output of consumer goods can be increased, and so on. The lesson is again to avoid easy generalization. Some countries in the region could embark upon financing development programmes by creating money without getting into a runaway rise of prices, because they have much unemployed labour, because they have a prospect of rapidly increasing the flow of consumer goods, because it is easy in their economies to mop up much of marginal money income, and because their economies lend themselves to price control; whereas other countries in the region would run into serious price inflations if they tried to pursue the same policy.

Inflation and private investment. Neither should it be concluded that price inflation is to be avoided at all costs. In a private capitalist economy, inflation aids the process by which net saving is increased from say the 5 per cent level towards the 15 per cent level.

It does this, in the first place, by bringing about an enormous increase in the profits of the business community. It is not the case that an increase in profits must cause increased investment; but it is the case that a large increase in private investment is not possible unless there is a large increase in the share of profits in the national income. This is because, as we have

already seen, capital formation is financed only to a small extent out of savings from disposable private incomes. The major source of finance for capital formation is undistributed profits. There cannot be any large increase in private investment in this region, from domestic sources, unless the profits of the business community are increased. And inflation is one of the ways by which such an increase comes about.

Secondly and correspondingly, inflation helps because, even if other sources of finance were available, private capitalists do not invest unless there is a prospect of substantial profits. Inflation provides such a prospect, and usually stimulates investment in manufacturing industry.

This fact has to be faced by those governments which have declared in favour of a "mixed economy." In a mixed economy, a large private sector is built up, mainly in industry. The source of the capital used in this sector is mainly profits, and it is not possible to have a large private sector, or a mixed economy, unless large profits are permitted.

Some people dislike the existence of large private profits under any circumstances. Such people must therefore logically abandon the possibility of using inflation as a tool of economic development; they may use inflation in a wholly socialist economy, but must oppose it in an economy where there is private profit. At the other extreme, there are some people who regard private profit as the source of economic progress and of all that springs there from. To them inflation should be wholly acceptable. In between may be found a compromise group who would permit large private profits, but only on condition that they are reinvested, and who would ultimately confiscate much of these profits by having very large death duties. Low taxes on undistributed profits, high taxes on distributed profits, and high death duties are a combination which may reconcile the desire for a mixed economy with distaste for building up private fortunes.

It must again be emphasized that the experience of different countries cannot be the same. A country in which inflationary profits are likely to be reinvested is a country where there is a fairly large class of merchants and industrialists with some experience of manufacturing industry. Inflationary profits will not be reinvested if they fall largely into the hands of plantation owners, who transfer them overseas, or of peasants, who try to convert them into gold and jewellery, or of people with the outlook of black marketeers. Inflation therefore stimulates more economic development in a community which already has a fairly large class of indigenous industrialists than it does in a community with no such tradition.

Inflation and the balance of payments. Any creation of new money plays havoc with the balance of payments unless the foreign exchanges are strictly

controlled. The marginal propensity to import is larger when inflation is occurring than it is when there is no inflation. Some of the extra money flows at once to imports and some to domestic goods. As soon as the output of domestic goods has reached its limit, extra income switches towards more imports in substitution for domestic goods, which would otherwise rise in price. A country may have a low average propensity to import, say 0.2, but may nevertheless find its marginal propensity to import rise very high, say to 0.8, if it embarks upon creating new money. Strict licensing of imports is therefore a *sine qua non* of such a policy, unless the new money is being spent in ways which step up the production of exportable goods.

Licensing of imports may not be enough. If the exports of a country are of a kind which can be consumed at home—e.g. food or manufactured consumer goods, putting more money into circulation may reduce exports, and so cause balance of payments difficulties. Such a country is then driven to adopt measures to restrict consumption at home of exportable articles. The United Kingdom affords a good example of a country which has had to take such measures, and to encounter the difficulty of taking sufficiently effective measures.

The lesson is of course that measures designed to substitute for imports and to produce more exportable goods should have a very high priority in any programme for economic development.

The creation of new money also produces further strains if it causes domestic prices to rise. There is then greater desire to import goods from abroad, where they are comparatively cheaper; and greater difficulty in producing goods for export, because domestic costs have risen relatively to the prices which can be obtained abroad.

Domestic price inflation therefore almost invariably demands devaluation of the currency, unless comparable inflation is occurring in the rest of the world. Devaluation is not as serious a measure in Asia as it is in some other places. Devaluation can harm a country in two ways. First, it is harmful if it moves the terms of trade adversely. Whether it has this effect depends upon the country's importance in world trade in those goods which it buys and sells. If the country is not an important buyer or an important seller of any commodity in the world market, nothing that it does will affect prices in terms of foreign currency. Devaluation raises prices in terms of domestic currency, but it leaves prices in terms of foreign currency unaffected and has no effect on the terms of trade.¹ Many ECAFE countries (except Japan and a few countries such as those producing rice, tin and rubber) have only a very small part in determining the prices they pay or receive,

and their terms of trade would only be affected by devaluation to a minor extent. The other way in which devaluation counts is in altering the value of foreign debts and credits. If these obligations are all fixed in terms of foreign currency, devaluation does not alter the burden (except indirectly if it also alters the terms of trade). If the obligations are fixed in terms of the domestic currency, then devaluation harms a country which is a net creditor, and benefits a net debtor. Since most of the obligations of most Asian countries are set in terms of foreign currency, devaluation cannot alter their burden substantially.

The moral of this is that if economic development were possible, but possible only at the cost of higher internal prices and devaluation, the external burden of devaluation need not be a serious deterrent. The major objection to rising prices is internal; that it alters arbitrarily the distribution of wealth as between debtors and creditors, and the distribution of income, at least until such time as fixed income receivers catch up with prices.

The rate of acceleration. The main burden of this section has been that new money which is used to create extra consumer goods need have no inflationary effect. It follows, if inflation is to be avoided, that the rate of creation of new money should be adjusted to the rate at which it is possible to stimulate output. A secondary burden of the section has been that money creation beyond this point is also not harmful, if it is mopped up by the tax system. And further that, even beyond this point, some inflation is not merely tolerable but desirable, in so far as it is desirable to step up private investment.

The main emphasis of any development programme should be on expanding rapidly the output of consumer goods. Now it is of the nature of this process that it takes time, and proceeds cumulatively. One has to begin slowly, and one gains effectiveness with the passage of time. A development programme should begin by tackling the bottlenecks which prevent output from expanding; at this point it must be small, but as the bottlenecks break, it can be stepped up.

This is a necessary comment upon the estimates made in the preceding section of the present and the needed levels of capital formation. If it is true that present levels are around 5 per cent net of national income and that needed levels are around 15 per cent net, it must not be thought that this transformation can be effected within a year or two, whether by raising taxation, by foreign aid and investment, or by inflation.

Economic development lags behind because of two main shortages—shortage of finance and shortage of skill. This paper has dealt mainly with the shortage of finance. The shortage of skills is grave, but there is no need to lie down before it, as some writers tend to do. People can be trained very rapidly, when

1. For simplicity of argument, complications of transitional periods are neglected here.

emergencies arise. In wartime, armies expand their size tenfold or more, and at once set out to convert a mass of recruits not only into fighters, but also into craftsmen of every type. The skills required can be produced if there is a multiplication of training centres, and if special courses are devised. The standing example of this is the U.S.S.R., where a vast multiplication of training institutes of every kind has succeeded in meeting the enormous demand for skill imposed by an economy where industrial production increased by at least 300 per cent in ten years. If there is to be a special budget for development works which may be financed by creating money, then a programme for multiplying skills of every kind certainly qualifies for inclusion.

The rate at which economic development should be pushed is not the same for each country. It depends on how rapidly bottlenecks can be broken, a process which is easier in some countries than it is in others. It depends on how feasible it is, politically, to increase taxation. It depends on how the economy would react to additional money spent on development projects—whether output would rise and whether the economy is one in which inflation can easily be restrained. In every country a separate assessment must be made. Yet it would be surprising if the assessment should reveal any country in this region where the rate of capital formation from domestic resources cannot or should not at least be raised to ten per cent per annum net by 1962.

IV. SUMMARY AND CONCLUSIONS

The conclusions of this paper may be summarised as follows:

1. The rate of economic progress is partly a function of government expenditure and of capital formation. In a modern state the government uses something like 15 per cent of the national income for current purposes, and a further 12 to 15 per cent is needed for net capital formation, on private and on public account.

2. In the ECAFE region both the government use of resources on current account and net capital formation fall very far short of these levels. Existing levels are, indeed, barely adequate to keep pace with rising populations, and contribute little towards raising the standard of living.

3. Even when allowance is made for the possibility of voluntary labour on public works in rural areas, and for the possibility of foreign aid, the conclusion is inescapable that the share of the national income used by the government must enormously increase if there is to be a significant rate of economic development. Hence taxation must be increased, and the system of taxation revised so that a very large share—40 per cent

to 50 per cent—of increases of the national income will be received by the government. The paper analyses in some detail the problems involved in making this revision.

4. Because of the difficulty in levying higher taxes, some governments may seek to increase their share of the national income by creating new money.

5. In a fully employed-economy, government expenditures financed with new money take resources away from the rest of the economy. They cause consumption, or investment or exports to be reduced. However, if there are unemployed resources, which are brought into production by creating new money, the result is an increase of national output, not necessitating any reduction in consumption or in other expenditure.

6. However, even where the new money employs previously unemployed resources, the effect is inflationary unless additional consumer goods result from the process. The inflation transfers consumer goods to those who were previously unemployed, from the rest of the population. The result is exactly the same as if the unemployed resources had been paid out of the proceeds of additional taxation.

7. Creating new money to employ unemployed resources on capital works is superior to using additional taxation for the same purpose only if the process results in expanding the output of consumer goods in addition to the capital works on which the money has been spent. In an industrial economy with unemployed resources this result is automatic, but in an underdeveloped economy it cannot be achieved without special effort.

8. There is reason to believe that the output of food and of cottage industry products could be expanded fairly rapidly by relatively small expenditures on education and on improving the techniques of peasants and of cottage craftsmen. New money spent on such programmes would fairly soon be matched by an increased output of consumer goods.

9. New money spent on creating capital for factory industry, and on other productive capital would also in due course produce an extra flow of consumer goods. But in the meantime the money so spent would be potentially inflationary.

10. Inflation to produce capital equipment must be distinguished from inflation for non-productive purposes. The latter tends to be cumulative, while the former is self-destructing because in due course extra consumer goods become available.

11. It is not sensible to condemn all inflation out of hand. It may be better to have inflation and a larger national output, than to have stable prices and economic stagnation.

12. New money injected into the economy will not raise prices if that part which is not mopped up by additional consumer goods output is mopped up automatically by the tax system. An economy which is liable to inflation should have a tax structure which mops up 40 per cent to 50 per cent of marginal money incomes.

13. New money which is mopped up neither by goods nor by taxes will cause prices to rise, unless there are effective price controls. Inflation tends to become cumulative unless price controls are adequate.

14. Some inflation may foster economic development by providing greater incentives to, and a source of finance for, greater private investment. Larger domestic private investment is not feasible without large

profits. In a "mixed economy," inflationary finance will lead to the creation of large private fortunes.

15. Inflationary finance will play havoc with the balance of payments unless imports are strictly licensed, and steps taken to prevent greater home consumption of exportable goods. Projects which substitute for imports or increase exports deserve high priority. Inflation may also make necessary devaluation of the currency, but, if done properly, the harmful effects of devaluation are likely to be small in this region.

16. If economic development is to be financed by creating new money, the best procedure is to begin by concentrating on breaking bottlenecks which prevent the output of consumer goods from expanding. If this is successful, the programme of expenditure can then be stepped up rapidly.

ANALYSIS OF NATIONAL INCOME IN SELECTED ASIAN COUNTRIES

Both the construction and the use of national product, income and expenditure statistics have developed rapidly in the last generation. Their main advantage, as against indicators previously used (such as bank debits, power consumption, ton-mileage of railway freight, and the like), lies in their greater inclusiveness. A secondary advantage is that, developed simultaneously with the whole body of "aggregative" economics associated with the late Lord Keynes and his followers, they have been dovetailed to an extraordinary degree with the economic analysis to which they are applied. A disadvantage has been the necessity of relying on highly inaccurate and imprecise estimates for many of the components of the total. This disadvantage has been marked particularly in the less developed countries such as those of the ECAFE region, where the volume of barter exchange and home production, to which money values must be "imputed," is a substantial proportion of the total. Of recent years, the development of systems of national accounting has enabled this difficulty to be partly overcome by providing for the building up of the totals on two or more different bases independently and simultaneously.¹

Not only the totals but the components have been used by economists in a wide variety of ways, particularly in the countries with the most reliable series. With the aid of national income, product, and expenditure statistics the probabilities of inflation, deflation, and balance of payments problems are being estimated, both for the short and for the long period. Armament, foreign aid, and economic development programmes are being drawn up and their burden assessed; fiscal, monetary, wage, and price policies are being framed. Even such indefinables as "economic welfare," "standard of living," "productive capacity," and "equitable distribution" are being hesitantly measured and compared from time to time and from place to place. The record is not one of unbroken success by any means. National income statistics have provided no magic wands or crystal balls. They are poor substitutes for analytical ability or historical foresight. The 1950/51 boom, for example, could not have been forecast by these methods without advance information regarding events in Korea. These statistics, however, have become indispensable tools in all countries where they are available, accurate, and up-to-date. The number of such countries is increasing year by year.

The ECAFE region has lagged behind both the industrialized nations of Western Europe and America and the centrally-planned economies of Eastern Europe

in the development and use of national income statistics.² The special problems raised by the importance of the unorganized and non-monetary sectors of these countries' economies have been partially responsible for this lag. More important has probably been the unavailability of funds and trained personnel for statistical research, which is being remedied in a number of countries by United Nations and United States technical assistance. Burma, India, Pakistan, the Philippines and Thailand, are among the countries which have received such assistance.

National income statistics from most ECAFE countries through 1949 have been assembled and published in two special studies of the Statistical Office of the United Nations, one dealing specially with the region and the other with under-developed countries generally.³ Statistical data, without comment or interpretation, are now published semi-annually in the United Nations periodical *Statistics of National Income and Expenditure*, whose first issue is dated February 1952.⁴

2. The systems of national-income statistics used in the free-enterprise economies differ from those in the centrally-planned economies to such an extent as to make comparisons of results in free-enterprise and centrally-planned countries both difficult and tentative. Four important differences may be noted:

1. In free-enterprise countries, the values of all goods and services are included in the national income. In the centrally-planned economies, material goods are included, together with only those services (e.g. transportation) which contribute directly to the production of material goods.

2. In free-enterprise economies, indirect tax payments (sales taxes, turn-over taxes, excises, customs duties, etc.) are deducted from national income. National income in the centrally-planned economies is estimated gross of these tax payments which constitute the major form of the government revenue.

3. In free-enterprise economies, national income is estimated at current prices, and sometimes deflated subsequently by appropriate index numbers. Centrally-planned economies compute values in base-year prices (e.g. 1926/27 prices in the U.S.S.R.), with new commodities evaluated at whatever prices they were first introduced into the economy.

4. The free-enterprise economies support their estimates by detailed statistical breakdowns of the national accounts, from which inconsistencies and implausibilities can be detected by outsiders, and independent conclusions derived, which may be at variance with official interpretations. The centrally-planned economies publish only totals and a few key components; details are kept confidential.

It is interesting to note that the method of estimation in "free-enterprise" countries characteristically make their national incomes higher, relative to those of centrally-planned economies, than do the "centrally-planned" estimates. This is mainly due to the greater importance of direct consumer services in the free-enterprise economies.

The Statistical Office of the United Nations, and also other United Nations agencies to which reference is made below, follows the national-income accounting systems of the free-enterprise countries, particularly the United States and the Commonwealth. This decision was taken partially for reasons of general methodology, and partially because of the greater volume of data based on these systems.

3. For the ECAFE Region, see "National Income" *Economic Survey of Asia and the Far East 1950*, (New York: United Nations, 1951), ch. IV, pp. 105-125; for under-developed countries generally, see "National Income and its Distribution in Under-Developed Countries," *United Nations Statistical Papers*, Series E, No. 3 (1951). "National and Per Capita Incomes, Seventy Countries, 1949," *United Nations Statistical Papers*, Series E, No. 1 (1950), gives a more intensive coverage of a more limited range of topics for a single year.

4. *United Nations Statistical Papers*, Series H. Another recent treatment of current national income data by the Statistical Office is found in "Recent changes in real national income," *Monthly Bulletin of Statistics*, Vol. VI (June 1952), pp. vii-xii.

1. For example, the national income can be estimated independently and simultaneously as the sum of the contributions of agriculture, manufacturing, trade, services and government and as the sum of total labour, entrepreneurial, and property income. The first, or final product, total, may be used as a check on the second, or factor payment, total.

In this article, the data and results presented, particularly in the 1950 issue of the *Economic Survey of Asia and the Far East*, will be re-examined, both in the light of new data for the Korean war boom years of 1950/51 and of additional or revised figures for a number of the countries in the region, including Malaya from which no previous information had been forthcoming.¹

NATIONAL INCOME TOTALS

Many different definitions of the special income or products of a country have been given, and statistical series developed to correspond to them. For the various purposes of the present discussion, five of these series are presented in Table 1, for the years from 1948 through 1951 if available, and for one pre-war year, usually 1938.

The five series and their definitions are:

1. *Gross national product*: The estimated money value of all goods and services produced by productive resources owned by a country or its residents. Valuation may be either at market prices or at factor cost. The estimated money value of raw materials and final products consumed directly in the production process is deducted (but not the depreciation of fixed capital), so that only additions to physical inventory of these goods are included.

2. *Gross geographical product*: The estimated money value of all goods and services produced within a country's borders. This is a somewhat better measure of a debtor country's *production* or *output* than is the gross national product. Gross geographical product includes, but gross national product excludes, goods and services produced within the area by resources owned abroad. Gross national product includes, but gross geographical product excludes, goods and services produced outside the area by resources owned by residents of the area. For a creditor country like the United States, the gross national product is larger than the gross geographical product; for under-developed countries, including all those in the ECAFE region for which data are available, the gross geographical product is the larger.

3. *Net national income* or simply *national income*: This is gross national product after deducting depreciation charges if valued at factor cost. Indirect taxes are also deducted and subsidies added if valued at market price. The deduction of depreciation on fixed capital renders this total net rather than gross. The deduction

of indirect taxes (minus subsidies) changes the basis of evaluation from market price to factor cost; goods and services, in other words, are evaluated at the value of the payments to the productive services used to produce them, rather than at market prices.² When a national income series is used, however hesitantly, as a measure of economic welfare, it is usually this one which is employed.

4. *Net geographical product*: This is gross geographical product, also net of depreciation charges and indirect taxes. The difference between gross and net geographical product should be equal to that between gross national product and national income. In certain of its studies referred to above, the Statistical Office of the United Nations appears to use net geographical product as a welfare measure.

5. *Personal income*: This is income paid out to persons. Part of national income may not be paid out, but absorbed in business savings; this part is deducted from national income. In addition to income from current economic activities, however, individuals may receive what are called "transfer" payments from governments, social security funds, insurance companies, etc., either as gifts (direct relief payments) or as belated remuneration for past services rendered (pensions). These transfer payments are included in personal but not in national income.³ In normal times, personal income is somewhat smaller than national income. (In immediate post-war years, Japan may have been an exception). Studies of income distribution by income size, or income distribution between labour and capital, are usually based upon personal income.

Gross national product is equal to gross national expenditure,⁴ and gross national expenditure has been broken down into a number of categories. The largest of these is private expenditure for consumption of goods and services (including all durable consumer goods other than residential houses). This series on private consumption is used in some countries including Japan, as an index of the current standard of living. Consumption expenditures are normally less than either personal or national income, but there are exceptions for countries with serious balance of payments deficits, or countries which are not replacing their capital as it wears out. (Indonesia may be an illustration of this phenomenon).

1. Recent publications for individual countries in the region include: Ministry of National Planning, *The National Income of Burma* (Rangoon, 1951); K. Williams, *The National Income of Ceylon* (1952), Department of Census and Statistics; Economic Stabilization Board of Japan, *Monthly Report on National Income*, No. 28 (Jan. 1952); Frederic Benham, *The National Income of Malaya, 1947-49* (Singapore: Government Printing Office, 1951); W. I. Abraham, *The National Income of the Philippines and Its Distribution* (Provisional Text: Manila, 1952). Additional data are expected from India, Pakistan and Thailand in the near future.

2. Entrepreneurship is considered a productive service, so that profits are included in the national income even when exorbitant or monopolistic. Government, however, is not considered a productive service, so that payments to governments are excluded whenever, as in the case of indirect taxes, their effects on prices can be estimated with any degree of precision or accuracy.

3. Personal transfers between individuals (gifts, etc.) have no effect on the total.

4. Goods produced but not sold are treated as an investment in inventory by the producer, inventories being a form of private capital formation, which is itself a category of expenditure. Similarly, goods sold but not currently produced are treated as disinvestment (negative investment) in inventory. Without a somewhat technical definitions of "expenditure" the statement in the text would be misleading.

TABLE 1.
NATIONAL INCOME, ECAFE COUNTRIES
(in millions of national currencies unless otherwise stated)

Country and Year	Gross national product	Gross geographical product	Net national income	Net geographical income	Personal income
Burma (Kyat)^a					
1950/51	3,664	3,670	3,166	3,172	..
1949/50	3,025	3,033	2,608	2,616	..
1948/49	3,221	3,234	2,857	2,870	..
1947/48	3,500	3,506	3,067	3,073	..
1938/39	1,356	1,441	1,190	1,275	..
Ceylon (Rupees)					
1951	4,690	4,755	4,527	4,592	..
1950	4,087	4,142	3,896	3,941	..
1949	3,100	3,129	2,925	2,954	..
1948	2,823	2,872	2,682	2,731	..
1938	661	708	600	647	..
Indonesia (Guilder)					
1938	3,312	3,507	2,804	2,999	..
Japan					
1950/51 ^a (Thousand million yen) . .	4,007	4,010	3,498	3,501	3,259
1949/50 ^a (Thousand million yen) . .	3,375	3,376	3,054	3,055	2,827
1948/49 ^a (Thousand million yen) . .	2,430	..	2,165	..	2,148
1947/48 ^a (Thousand million yen) . .	1,160	..	1,129	..	1,139
1938 (Million yen) . . . . .	..	..	19,026	..	17,608
Malaya (Dollars)					
1950 ^p	5,299	5,419	4,849	4,969	..
1949	3,379	3,426	3,022	3,069	..
1948	3,541	3,580	3,221	3,260	..
Philippines (Pesos)					
1951	8,373	8,416	7,586	7,629	7,566
1950	6,934	6,964	6,228	6,258	6,457
1949	6,317	6,377	5,646	5,706	6,007
1948	6,369	6,423	5,713	5,767	5,860
1938	1,163	..	1,037	..	..
Thailand (Bhat)					
1950 . . . . .	..	25,595	..	23,377	..
1949 . . . . .	..	22,199	..	20,064	..
1948 . . . . .	..	18,457	..	16,678	..
1938/39 ^a . . . . .	..	958	..	855	..

a. Fiscal years. *Burma*: 1947/50, starting 1 October; 1938/39, starting 1 April; *Japan*: starting 1 April; *Thailand*: starting 1 April. The currency unit in Burma is now the *kyat*, the Indian word *rupee* having been discarded. One *kyat* equals one *rupee*.

p. Preliminary.

Sources and Notes

- General:**
1. Estimation methods differ widely from country to country. Figures subject to wide margins of error and not strictly comparable between countries.
 2. In addition to material supplied by various countries, data were used as processed by the Statistical Office of the United Nations, and published in "Statistics of National Income and Expenditure," *United Nations Statistical Papers*, Series H.
- Burma:** Ministry of National Planning and Religious Affairs, *The National Income of Burma* (Rangoon 1952).
- Ceylon:** Data are supplied by the Statistical Office of the United Nations.
- Indonesia:** Dr. Farrow, "Nationale Inkomensraming Indonesie" (typewritten), based on J. J. Polak, "Het Nationale Inkomen van Nederlandsch Indie," 1921-1939, "Overdruk uit Statistische en Econometrische Onderzoekingen, Vol. II, No. 4 (Dec. 1947)" (Gross figures put on market price basis by addition of indirect taxes).
- Japan:** Economic Stabilization Board, *Japanese Economic Indicators* (June 1952) and *Monthly Report on National Income*, No. 28 (Jan. 1952); Statistics Bureau, *Japan Statistical Yearbook 1950* (Tokyo 1951). Estimates from different sources imperfectly comparable. In general, estimates for 1949/50 comparable with these for 1950/51, and those for 1947/48 with those for 1948/49.
- Malaya:** Frederic Benham, *The National Income of Malaya, 1947-49* (Government Printing Office: Singapore, 1951).
- Philippines:** W. I. Abraham, *The National Income of the Philippines and Its Distribution* (Provisional Text: Manila, 1952); Central Bank of the Philippines, *Second Annual Report, 1950*. (The 1938 figures, taken from the Central Bank report, is probably lower than a figure comparable with the post-war estimates of Mr. Abraham).
- Thailand:** Joseph S. Gould, *Estimates of Gross National Product and Net National Income of Thailand* (mimeographed); supplementary revisions supplied by Dr. Gould and the National Economic Council of Thailand.

CORRECTIONS FOR PRICE AND POPULATION

Gross national and geographical products, it was said above, are used as measures of output or production, net national income and net geographical product as measures of economic welfare, and private consumption expenditure as a measure of living standards. Certain of the deficiencies in these figures for these purposes cannot be removed by statistical refinements. (How, for example, can the analyst allow for the supply of extra heat as a free good, or the reduced need for clothing in warm climates? What adjustment can be made if one believes that an additional unit of income to the average man in a high-income country like the United States has less "utility" than the same amount of real income to the average man in a low-income country like India, so that the ratio of American to Indian income systematically exaggerates the ratio of welfare?) Corrections for other deficiencies, however, suggest themselves immediately. These include adjustments for the changing purchasing power of money, adjustments for changes in population, and conversion to an international currency unit for purposes of comparison. These corrections are the subject-matter of Table 2.

They are, however, more difficult in practice than they might appear at first sight. The several series were put on a per capita basis in the first instance, by the use of census data which are only estimates for years between censuses; in many countries, even these cannot be taken or are unreliable because of primitive or disturbed conditions in some districts. Index numbers of cost of living have been used to "deflate" these per capita figures, usually to put them in terms of 1948 prices. This is a questionable operation, since the index numbers apply only to a relatively few consumption goods, excluding luxuries and capital goods entirely. They are also confined usually to capital cities, ignoring boom areas like the tin and rubber regions of Thailand. In some countries, they reflect official prices which are not enforced, rather than actual prices prevailing in actual markets. (In Malaya, separate indexes are published for Chinese, Indians, and Malaysians, which have been combined in simple or unweighted average). More appropriate price indexes have not been developed for many countries of ECAFE region; in the United States, where such an index was developed, its movements were found to correlate fairly closely with those of the consumers' price index.

Conversion of national currencies to U.S. dollars or other foreign currencies was done easily, before World War I, by the use of market exchange rates. With the rise of controlled exchanges, slowly during the 1930's, faster during World War II and the subsequent problems of inflation and dollar shortages, this has become increasingly unrealistic. The use of multiple exchange rates by a number of countries in the region makes the conversion problem particularly difficult. While the use of free or black market exchange rates has been suggested for conversion purposes, these rates are based on a relatively small volume of transactions and embody certain premia by reason of their illegality, and the weight of opinion is against their use.

In this study, conversion into current U.S. dollars (the middle panel of Table 2) has been made by assuming that a pre-war rate (1938) was free,¹ and by applying ratios of price indexes in subsequent years to estimate what the free rate would have been in the absence of controls.² (For Malaya, where pre-war price indexes are not available, the post-devaluation value in the autumn of 1949 was taken as a free rate.³) The economist will recognize this procedure as an application of the so-called "Purchasing Power Parity" theory of the foreign exchanges, developed by Ricardo and revived by Cassel. It is by no means completely accurate, but it is a justifiable first approximation in this difficult field.

Examining the figures now for their economic content, the effect of the Korean war is immediately apparent as an increase in per capita real income in 1950 and 1951, belying fears that the money gains had been wiped out by price increases.⁴ The rise is most marked in Ceylon and Malaya. In Burma it is combined with a partial recovery (in 1949/50) from the setback in the previous year, caused by internal disturbances. In every country but Burma, the latest figure is the highest since the war. On the other hand, only three countries (Ceylon, Japan and Malaya) show per capita incomes in excess of U.S.\$100 of 1948 purchasing power, as compared with 1949 estimates (in 1949 dollars) of \$308 for the U.S.S.R., \$482 for France, \$679 for Australia, \$773 for the United Kingdom, and \$1,453 for the United States.⁵ Furthermore, Ceylon, the Philippines,⁶ and Thailand show per capita real incomes in excess of the last pre-war year, 1938—which, it will be remembered, was a year of depression. The increases in Ceylon and Thailand is the most impressive in the region, amounting respectively to about 300 per cent and 80 per cent. Per capita income in real terms still lags below 1938, despite the stimulus of the prosperity in Burma and Japan and probably also Malaya.

1. It was not free in Japan, as the free market value of the Japanese yen in 1938 would have probably been substantially below the official 28.81 cent rate. For various reasons, the free market value of the national currency was consistently below its purchasing power parity.

2. This is illustrated most easily with reference to the Philippines, where the peso has been pegged at \$0.50. This is taken as representing the purchasing power parity of the peso in 1938, prior to the establishment of exchange controls in the Philippines. The United States cost of living in that year was 59 (1948=100), and the Philippine (Manila) cost of living 25 on the same base. What would be an appropriate conversion rate in 1951, when the United States cost of living is at 108 and the Philippine at 99? The conversion rate should fall to 25/99 of \$0.50 by reason of the rise in Philippine prices, other things remaining equal; it should rise to 108/59 of \$0.50 by reason of the rise in American prices, other things remaining equal. Combining these two results, the appropriate conversion rate is computed as:

$$\$0.50 \times \frac{25}{99} \times \frac{108}{59} = \$0.231$$

3. In "National and Per Capita Incomes: Seventy Countries—1949," *op. cit.*, the Statistical Office of the United Nations used the same assumption for Burma, Ceylon, and India as well. Also, in the case of Japan, the Statistical Office used average market rates during 1949 rather than following the method outlined in the text. Discrepancies between per capita net income figures for 1949 derived in this article for Burma, Ceylon and Japan and similar figures derived by the Statistical Office are due primarily to these differences in conversion methods. (See Statistical Note to Table 2.)

4. To a certain extent, improved coverage in later years imparts an upward bias to the series. (Thailand is an example of this defect).

5. These figures should not be taken as accurate measure of economic welfare in different parts of the world.

6. The Philippine case is questionable: the estimate for 1938 (by the Central Bank of the Philippines) is not comparable with later estimates (by the United Nations National Income Adviser). The later estimates, specifically, assess much higher values to non-monetary production; application of their methods for the year 1938 might produce an estimate belying the conclusion in the text.

TABLE 2.
PER CAPITA INCOME AND CONSUMPTION, ECAFE COUNTRIES^a

Country, year, currency	In national currency			In current U.S. dollars			In 1948 U.S. dollars		
	GNP ^b	National income	Con- sumption	GNP ^b	National income	Con- sumption	GNP ^b	National income	Con- sumption
Burma (Rupees)									
1950/51	196.2	169.5	138.8	31.5	27.3	22.3	29.2	25.2	19.4
1949/50	163.6	141.1	120.1	23.4	21.3	17.6	23.4	21.3	17.6
1948/49	176.0	156.1	129.3	20.8	19.2	15.8	21.0	19.4	16.0
1947/48	193.2	169.3	158.1	30.9	27.9	26.4	30.9	27.9	26.3
1938/39	85.0	74.6	57.7	29.1	24.2	21.0	49.3	41.1	37.8
Ceylon (Rupees)									
1951	605.7	584.7	468.9	220.6	212.9	170.8	204.3	197.1	158.1
1950	541.3	514.7	413.0	140.4	133.5	107.1	140.4	133.5	107.1
1949	424.8	400.8	337.1	110.2	103.9	87.4	111.3	104.9	88.3
1948	398.4	378.5	320.6	98.4	93.4	79.2	98.4	93.4	79.2
1938	113.8	103.3	94.5	29.2	26.5	24.3	49.5	44.9	41.2
Indonesia (Guilders)									
1938	48.4	41.0	44.2	26.6	22.6	24.3	45.1	38.2	41.2
Japan									
1950/51 (Thousand yen)	48.2	42.0	30.1	118.6	103.3	74.1	118.6	103.3	74.1
1949/50 (" ")	41.3	37.3	29.2	93.3	84.3	65.9	94.2	85.0	66.5
1948/49 (" ")	30.4	27.1	21.1	86.6	77.2	60.1	86.6	77.2	60.1
1947/48 (" ")	14.9	14.5	11.0	56.3	54.8	41.4	56.3	54.8	41.4
1938 (Yen) . . . . .	..	269.5	..	..	77.6	..	..	131.6	..
Malaya (Malayan dollars)									
1950 ^p	868.1	776.8	—	264.3	236.5	—	264.3	236.5	—
1949	565.1	498.5	442.2	184.6	162.9	144.5	186.5	164.5	145.9
1948	601.8	541.4	476.9	188.7	169.8	149.6	188.7	169.8	149.6
Philippines (Pesos)									
1951	425.2	384.2	377.9	98.3	88.8	87.3	91.0	82.2	80.9
1950	356.1	318.5	299.4	82.3	73.6	69.2	82.3	73.6	69.2
1949	327.1	289.6	305.8	72.8	64.5	68.1	73.5	65.1	68.7
1948	335.7	298.6	288.0	71.2	63.3	61.1	71.2	63.3	61.1
1938	73.5	65.6	..	36.8	32.8	..	62.3	55.6	..
Thailand (Baht)									
1950	1397.7	1276.5 ^c	..	87.1	79.5 ^c	..	87.1	79.5 ^c	..
1949	1234.2	1115.5 ^c	..	78.5	70.9 ^c	..	79.2	71.6 ^c	..
1948	1044.8	944.0 ^c	..	64.5	58.2 ^c	..	64.5	58.2 ^c	..
1938/39	64.9	58.0 ^c	..	28.6	25.6 ^c	..	48.5	43.3 ^c	..

a. Consumption figures are less reliable than geographical product and national income figures. All figures in dollars show rough indications of magnitudes only. Method of currency conversion, differences in economic structure and method of estimation in different countries limit their international comparability.

b. Gross national product. Gross geographical product used when figures available (Burma, Ceylon, Japan (1949/50 and 1950/51), Malaya, the Philippines and Thailand).

c. Net geographical product.

p. Preliminary.

(See also sources and notes to Table 1. In addition to the sources cited there, the population estimates used in the deflations were obtained from the United Nations, *Monthly Bulletin of Statistics* and the price indexes from the International Monetary Fund, *International Financial Statistics*.)

STATISTICAL NOTE

For five of the above countries (Burma, Ceylon, Japan, the Philippines, and Thailand) the per capita incomes derived here for 1949 differ from those published by the Statistical Office of the United Nations, *National and Per Capita Income: Seventy Countries—1949* (United Nations Statistical Papers, Series E, No. 1), Table 1, pp. 14f. Analysis of the differences will indicate certain of the difficulties involved in all estimates of this kind:

1. For most of those countries, national income estimates have been revised substantially since the publication of the Statistical Office report. This is the main cause of disagreement for the Philippines and Thailand.

2. In this study, price deflation was carried out by cost-of-living indexes exclusively.

3. In this study, all conversions to U.S. dollars were made by the method described in the text. The Statistical Office used official exchange rates at year-end 1949 for Burma and Ceylon, and average rates throughout the year for Japan. This is the main cause for disagreement for these three countries, and is also important in the case of Thailand.

TABLE 3.

DISTRIBUTION OF ECAFE AND OTHER COUNTRIES BY SIZE OF PER CAPITA INCOME IN 1949

a. Number of Countries

Per Capita Income	10 ECAFE Countries		60 Other Countries		Total 70 Countries	
	Number	Percentage	Number	Percentage	Number	Percentage
Less than \$ 50	6	60	6	10	12	17
" " \$ 100	9	90	16	27	25	36
" " \$ 200	10	100	30	50	40	57
" " \$ 400	—	—	45	75	55	79
" " \$ 600	—	—	52	87	62	89
" " \$ 900	—	—	59	98	69	99
" " \$1,500	—	—	60	100	70	100

b. Population

	Millions	Percentage	Millions	Percentage	Millions	Percentage
Less than \$ 50	618	55	33	4	651	31
" " \$ 100	1,045	93	84	9	1,128	54
" " \$ 200	1,127	100	254	27	1,381	66
" " \$ 400	—	—	647	68	1,775	85
" " \$ 600	—	—	714	75	1,841	89
" " \$ 900	—	—	803	84	1,931	93
" " \$1,500	—	—	953	100	2,080	100

c. National Income

	Million Dollars	Percentage	Million Dollars	Percentage	Million Dollars	Percentage
Less than \$ 50	17,196	35	1,436	—	18,632	4
" " \$ 100	41,015	83	5,115	1	46,130	9
" " \$ 200	49,275	100	25,687	6	74,962	15
" " \$ 400	—	—	143,760	31	193,035	38
" " \$ 600	—	—	177,018	38	226,293	44
" " \$ 900	—	—	246,995	53	296,270	58
" " \$1,500	—	—	463,826	100	513,101	100

Source: Statistical Office of the United Nations, *National and Per Capita Incomes: Seventy Countries, 1949*.

The figures presented in Table 3, when used to compare per capita real national income between the ECAFE countries and the rest of the world, probably still give within their own limitations, a relatively undistorted picture. They refer, of course, to 1949. Yet for all the subsequent distortions produced by the Korean war, and for all that may be said of the systematic under-estimation of economic welfare by national income in warm climates and under-developed countries, the under-privileged position of the ECAFE region is plain. Over 90 per cent of the population of 10 ECAFE countries¹ live in areas with per capita income of \$100 or below, as against less than 10 per

cent in 60 other countries, including a number of under-developed countries in Africa, Latin America, and the Middle East. Over 50 per cent of the population of 10 ECAFE countries live in areas with per capita income of \$50 or below, as against less than 4 per cent elsewhere.² Over one third of the population in the rest of the world lives in countries with a higher per capita real income than Ceylon, Malaya and Japan, which are the highest in the ECAFE region. Furthermore, national income in 10 ECAFE countries studied was less than 10 per cent of the 70-country total, while their combined population was nearly 55 per cent of the total.

1. The ten countries included were Burma, Ceylon, China (Mainland and Taiwan), India, Indonesia, Japan, Korea (South), Pakistan, Philippines, and Thailand.

2. The inclusion of data for Malaya may require slight modification of this conclusion. Estimates for Malaya were not available when Table 3 was drawn up in the Statistical Office of the United Nations.

TABLE 4.
NATIONAL OR GEOGRAPHICAL PRODUCT BY INDUSTRIAL ORIGIN, ECAFE COUNTRIES
(Percentages in parenthesis)

Country and year	Concept	Total	Agriculture, Forestry and Fisheries	Manufacturing, Mining, Construction	Trade	Transport, Communication, Public Utilities	Government	All others
Burma (Million rupees)								
1950/51	Gross geographical product	3,670	1,700 (46.3)	180	316	117	262	1,095 ^a
1949/50	product	3,033	1,362 (44.9)	159	241	98	234	939 ^a
1948/49		3,234	1,561 (48.3)	165	271	84	208	945 ^a
1947/48		3,506	1,721 (49.1)	154	286	97	218	1,030 ^a
1938/39		1,441	673 (46.7)	185	..	50	95	438 ^a
Indonesia (Million guilders)								
1938	Income of Indonesian population only	1,947	1,249 (64.1)	276 (14.2)	135 (6.9)	28 (1.4)		259 (13.3)
Japan (Thousand million Yen)^b								
1949/50	National Income	2,875	810 (28.2)	940 (32.7)	408 (14.2)	229 (8.0)	127 (4.4)	361 (12.6)
1948/49		2,163	626 (28.9)	720 (33.3)	304 (14.0)	167 (7.7)	103 (4.8)	243 (11.2)
1947/48		1,128	340 (30.1)	422 (37.4)	149 (13.2)	66 (5.8)	52 (4.6)	101 (8.9)
Malaya (Million Malayan dollars)								
1950 ^c	Gross national product	6,359	2,845 (44.7)	1,953 (30.7)	703 (11.1)	111 (1.8)	340 (5.3)	407 (6.4)
1949	product	4,266	1,538 (36.1)	1,484 (34.8)	448 (10.5)	101 (2.4)	312 (7.3)	383 (9.0)
1948		4,410	1,649 (37.4)	1,442 (32.7)	573 (13.0)	110 (2.5)	270 (6.1)	366 (8.3)
Philippines (Million pesos)								
1951	National income	7,586	3,059 (40.3)	1,215 (16.0)	1,022 (13.5)	279 (3.7)	408 (5.4)	1,603 (21.1)
1950		6,228	2,507 (40.3)	1,006 (16.2)	815 (13.1)	222 (3.6)	400 (6.4)	1,278 (20.5)
1949		5,646	2,298 (40.7)	940 (16.6)	715 (12.7)	195 (3.5)	377 (6.7)	1,121 (19.9)
1948		5,713	2,376 (41.6)	984 (17.2)	716 (12.5)	195 (3.4)	321 (5.6)	1,121 (19.6)
Thailand (Million baht)								
1950	Gross geographical product	25,595	14,650 (57.2)	3,796 (14.8)	3,865 (15.1)	316 (1.2)	1,058 (4.1)	1,910 (7.5)
1949	product	22,199	13,332 (60.1)	2,888 (13.0)	3,287 (14.8)	278 (1.3)	846 (3.8)	1,567 (7.1)
1948		18,457	11,211 (60.7)	1,801 (9.8)	3,047 (16.5)	224 (1.2)	615 (3.3)	1,559 (8.4)
1938/39		958	436 (45.6)	126 (13.1)	258 (26.9)	34 (3.5)	47 (4.9)	57 (6.0)

a. Since construction and a substantial part of manufacturing and trade are lumped together in the category and cannot be separated, percentages of the totals for non-agricultural sectors are not computed.

b. Figures from national sources do not tally with those given in Table 1.

c. Prior to "deductions to avoid double-counting." For other sources and notes, see Table 1.

INDUSTRIAL AND FUNCTIONAL DISTRIBUTIONS

For many purposes, the national income totals are of less significance than their composition and distribution. Perhaps the most widely used breakdown is by industrial groups, as in Table 4. Another is the functional distribution, such as Table 5, which shows how income is distributed between labour and capital. A third is the distribution of total expenditures (gross national product) between consumption, domestic and foreign investment, and government expenditure; Table 6 shows such a breakdown. If the ratio of consumption to total expenditure is unusually high, the country involved may be living beyond its means, i.e. failing to replace domestic capital as it depreciates, and drawing down its foreign investments dangerously. A low or falling consumption ratio, however, may portend an under-consumption crisis in a free-enterprise economy, since the maintenance of expenditure and employment is increasingly dependent on the volatile level of private investment.

In addition to the exploratory and tentative nature of the totals being broken down, and their incomparability as between countries, these breakdowns suffer from inaccuracies due to international differences in classification.¹ In one country, for example, the entire

income of a farmer who works on the roads during the off season will be classified as agricultural, whereas in another, it will be broken down between agriculture and government. A publicly-owned utility plant is sometimes classed with transportation and communication, sometimes with government, sometimes as miscellaneous. A particularly glaring cause for non-comparability affects the Indonesian figures. The exclusion of all income received by Europeans, Chinese and other non-Indonesians exaggerates drastically the relative importance of agriculture in Table 4, because of the greater relative concentration of Indonesians in this sector. Nevertheless, it is easy to see from Table 4 the sharp distinction between the developed economy of Japan and the under-developed economies of the other countries listed.² The effects of the destruction of Burma's oil industry are also apparent. The key figure in interpreting this table is the ratio of "Mining, manufacturing and construction" to the total, which is higher for Japan than for any other country.

1. An International Standard Industrial Classification, however, has been worked out by a group of experts and consultants from various countries and approved by the United Nations Statistical Commission, although none of the countries in the ECAFE area has adopted it up to the present. See Statistical Office of the United Nations, *International Standard Industrial Classification of all Economic Activities* (Statistical papers M4).
2. In Malaya, however, the higher percentage of "manufacture, mining, and construction" was due largely to the importance of mining.

TABLE 5.
FUNCTIONAL DISTRIBUTION OF INCOME, ECAFE COUNTRIES
(Percentages in parenthesis)

Country and year	Total	Labour Income	Entrepreneurial Income	Property Income
Indonesia (Million Guilders):				
Net geographical product				
1938	2,412	2,218 (92.0)		194 (8.0)
Japan (Million yen in 1938: thousand million yen in subsequent years): Personal income				
1950/51	3,259	1,541 (47.3)	1,571 (48.2)	147 (4.5)
1949/50	2,827	1,270 (44.9)	1,481 (52.4)	76 (2.7)
1948/49	2,148	978 (45.5)	1,124 (52.3)	47 (2.2)
1947/48	1,139	400 (35.2)	714 (62.7)	24 (2.2)
1938	17,608	7,554 (42.9)	6,307 (35.8)	3,747 (21.3)
Malaya (Million Malayan dollars):				
Net national product				
1947	3,216	1,160 (36.1)	1,170 (36.4)	885 (27.5)
Philippines (Million Pesos)				
Personal income excluding transfer payments				
1951	7,421	3,265 (44.0)	4,156 (56.0)	
1950	6,094	2,681 (44.0)	3,413 (56.0)	
1949	5,508	2,424 (44.0)	3,084 (56.0)	
1948	5,545	2,440 (44.0)	3,105 (56.0)	
1938	—	—	—	—

Sources and notes same as for Table 1.

The published national income statistics of the ECAFE countries, as presented in Table 4, require detailed adjustments before they can be fitted into Clark's scheme of primary, secondary and tertiary industry,¹ used to test his theory of economic development, or to compare the rate of economic progress in different countries along the lines he suggests. The greater relative importance of manufacturing industry in Japan bears out his view, but on the other hand, the combined importance of the tertiary industries does not appear to vary greatly from the more primitive to the more highly developed economies of the region. Judged by the relative share of manufacturing industry in all countries except Japan, the rate of economic development in the region has been disappointingly slow. It should be remembered nevertheless that in many countries, industrialization in its narrow sense is not the most important or the initial objective of development programmes. In Ceylon, India, and Malaya, for example, increased diversification within agriculture, and decreased dependence on food imports, are at least equal in priority. Since the outbreak of war in Korea, rises in the relative prices of agricultural raw materials, especially rubber, have also had the statistical effect of obscuring the relative growth of industrialization in all of the raw-material producing countries (including Ceylon, Malaya, the Philippines, and Thailand). These relative price movements have also brought about, in Thailand, the combination of the region's most rapid growth in per capita real income and a very small increase in the importance of industry in the gross geographical product.

1. *The Conditions of Economic Progress and The Economics of 1960.*

The data-collection methods of most countries of the region render break-downs on an industry basis both easier and less inaccurate than those on other bases. Despite wide interest in the distribution of income and wealth, current information on the distribution of income between labour, entrepreneurship, and property is available from only Japan, the Philippines, Malaya,² and Indonesia. Only in Japan can income from property be broken down further into its principal components of interest, rent, and dividends. The rising relative share of labour in Japan reflects not only the rising strength of the Japanese labour movement, but also the decline of the agricultural black markets and the post-war trend toward incorporation of small and medium-sized businesses. This trend, explained largely by tax advantages, results in what was formerly entrepreneurial income (profits of an unincorporated enterprise) appearing in the national accounts as the salary of the manager or president of a small corporation. Comparing Japan with the Philippines, the relative share of labour in Japan is surprisingly low, considering the greater extent of industrialization and wage labour in that country. On the other hand, it may be that in Japan wage labour in agriculture is a negligible quantity while in the Philippines it is a large quantity. The sharp fall in property income in Japan is due to the effects of inflation and land reform, which combined to reduce to insignificance the fixed money income component of property income.

2. Professor Benham believes that Malayan distributions for 1948 and later years would probably show a smaller labour share than that shown in Table 5. Benham, *op. cit.*, ch. IV, sec. 2, pp. 155-58.

TABLE 6.
GROSS NATIONAL EXPENDITURE IN ECAFE COUNTRIES

Country and year	Gross national expenditure	Private consumption	Government current expenditure	Government capital formation	Private capital formation	Net foreign investment
Burma (Million kyat)						
1950/51	3,664	2,645 (72.2)	356 (9.7)	224 (6.1)	245 (6.7)	194 (5.3)
1949/50	3,025	2,315 (76.5)	334 (11.0)	61 (2.0)	253 (8.4)	52 (2.0)
1948/49	3,221	2,446 (75.9)	340 (10.6)	65 (2.0)	195 (6.1)	175 (5.4)
1947/48	3,500	2,879 (82.3)	279 (8.0)	122 (3.5)	469 (13.4)	-231 (-6.8)
1938/39	1,356	928 (68.4)	114 (8.4)	30 (2.2)	127 (9.4)	157 (11.6)
Ceylon (Million Rupees)^a						
1951	4,690	3,631 (77.4)	411 (8.8)	224 (4.8)	315 (6.7)	109 (2.3)
1950	4,087	3,118 (76.3)	387 (9.5)	213 (5.2)	222 (5.4)	147 (3.6)
1949	3,100	2,460 (79.4)	394 (12.7)	123 (4.0)	153 (4.9)	-30 (-1.0)
1948	2,823	2,272 (80.5)	352 (12.5)	70 (2.5)	105 (3.7)	24 (0.8)
1938	661	549 (83.1)	95 (14.4)	5 (0.8)	34 (5.1)	-22 (-3.3)
Indonesia (Million Guilders)						
1938	3,312	3,020 (91.2)		292 (8.8)		-194 (-6.2)
Japan (Thousand million yen)						
1950/51	4,007	2,507 (62.6)	702 (17.5)		678 (16.9)	120 (3.0)
1949/50	3,375	2,386 (70.7)	680 (20.1)		449 (13.3)	-140 (-4.1)
1948/49	2,430	1,686 (69.4)	590 (24.3)		252 (10.4)	-98 (-4.0)
1947/48	1,160	856 (73.8)	272 (23.5)		100 (8.6)	-68 (-5.9)
Malaya (Million Dollars)						
1950 ^p .. .. .	..	..	363 (..)	..	..	-120 (..)
1949	3,111 ^b	2,681 (86.2)	334 (10.7)		150 (4.8)	-54 (-1.7)
1948	3,233 ^b	2,837 (87.8)	285 (8.8)		155 (4.8)	-44 (-1.4)
Philippines (Million Pesos)						
1951	8,373	7,481 (89.3)	493 (5.9)	105 (1.3)	489 (5.8)	-195 (-2.3)
1950	6,934	5,855 (84.4)	473 (6.8)	128 (1.8)	465 (6.7)	13 (0.2)
1949	6,317	5,962 (94.4)	448 (7.1)	141 (2.2)	454 (7.2)	-688 (-10.9)
1948	6,369	5,510 (86.5)	402 (6.3)	110 (1.7)	616 (9.7)	-269 (-4.2)

a. Private consumption includes statistical discrepancy and private capital formation excludes inventory changes which appear to be included in private consumption.

b. Includes only allocated expenditures; investment figures net.

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Sources and other notes same as for Table 1.

The picture presented by the expenditure analysis in Table 6 is strangely mixed. Japan shows a private investment boom, mainly devoted to construction, with consumption running relatively low and danger of recession when reconstruction and rearmament are ended. In Burma and Indonesia, net capital formation since the war may have been negative, when allowance is made for depreciation of existing capital which is not deducted (except in Malaya).¹ In the Philippines, an over-ambitious capital formation programme, primarily private, has been slowed down in the interests of anti-inflationary finance. In several countries, "net foreign investment" is shown; this requires additional explanation. A positive figure in this column may mean acquisition of foreign capital assets. It is more likely, however, to mean accumulation of cash balances or credits abroad, or else repatriation of domestic assets held previously by foreigners. A negative figure usually means the running down of foreign balances, the accumulation of foreign debts rather than the sale of capital assets to foreigners either at home or abroad.

After the meaning of "investment" is understood, it is safe to conclude that, e.g. Burma has "invested" abroad instead of at home, or that, e.g. Indonesia has been living beyond its means, running down domestic capital and depleting balances abroad.²

The national income statistician's definition of "domestic capital formation" includes purchases of residential housing and additions to inventories at all levels of production. The information they yield regarding expenditures for fixed capital (industrial plant and equipment), which is the ordinary layman's meaning of "investment," is often supplemented by data on the production, import, and export of fixed capital goods, and also by data on new construction. A number of the studies referred to above place great reliance on supplementary information of these types,³ although they are omitted here as not strictly germane to the subject under discussion.

1. The Malayan series is therefore not comparable with the others; the investment figures, in particular, are misleadingly low.

2. Comparing 1938 with 1948, it is probable that the negative foreign investment figure for 1938 represented net foreign capital investment in Indonesia, whereas in 1948 the balancing item took the form of private and official donations. International Monetary Fund, *Balance of Payments Yearbook*, op. cit., p. 237.

3. E.g. *Economic Survey of Asia and the Far East, 1950*, op. cit., pp. 121-125.

TABLE 7.
INCOME SIZE DISTRIBUTIONS:
CEYLON, JAPAN, PHILIPPINES, AND THE UNITED STATES

a. Ceylon (December 1950)¹b. Japan (1949)²

Income range (Rupees per month)	Percentage of receivers		Percentage of income		Income range (thousand yen per year)	Percentage of receivers ³		Percentage of income	
	Simple	Cumulative	Simple	Cumulative		Simple	Cumulative	Simple	Cumulative
0-26	10	10	1.5	1.5	0-42	10	10	2.9	2.9
26-36	10	20	3.6	5.1	42-55	10	20	4.3	7.2
36-46	10	30	4.7	9.8	55-69	10	30	5.6	12.8
46-57	10	40	5.4	15.2	69-81	10	40	6.4	19.2
57-69	10	50	6.2	21.4	81-94	10	50	7.4	26.6
69-83	10	60	7.6	29.0	94-112	10	60	8.4	35.0
83-103	10	70	9.4	38.4	112-134	10	70	10.1	45.1
103-138	10	80	12.4	50.8	134-165	10	80	12.0	57.1
138-198	10	90	15.9	66.7	165-218	10	90	15.3	72.4
198 and over	10	100	33.3	100.0	218 and over	10	100	27.6	100.0

1. Distribution of monthly personal income. Based on income distribution data in "An estimate of inequality of income," *Central Bank of Ceylon Bulletin*, Ceylon, March 1952. It is not clear from the basic data whether the personal income is given before or after taxation.

2. Distribution of taxable income of entrepreneurs. Based on data in *Statistical Yearbook of Japan*, 1950, table 199-B, p. 374. The basic data for this table appear to refer to taxable income of entrepreneurs only. At least it is evident that the table, with a coverage of 7,609,920 persons, applies only to certain categories of income earners. Figures based on the confirmed self-assessed amount of income.

3. Each group includes 760,992 persons.

c. Philippines (1948)

d. United States (1950)

Income range (Pesos per year)	Percentage of receivers		Percentage of income		Income range (\$ per year)	Percentage of receivers		Percentage of income	
	Simple	Cumulative	Simple	Cumulative		Simple	Cumulative	Simple	Cumulative
0-600	39.4	39.4	14.9	14.9	0-830	10	10	1	1
600-1,080	32.7	72.1	27.5	42.4	830-1,430	10	20	3	4
1,080-1,800	17.3	89.4	25.6	68.0	1,430-1,990	10	30	5	9
1,800-3,600	9.0	98.4	22.2	90.2	1,990-2,510	10	40	6	15
3,600-6,000	1.2	99.6	5.7	95.9	2,510-3,000	10	50	8	23
Over 6,000	0.4	100.0	4.1	100.0	3,000-3,550	10	60	9	32
					3,550-4,080	10	70	11	43
					4,080-4,950	10	80	13	56
					4,950-6,210	10	90	15	71
					Over 6,210	10	100	29	100

Sources: Data for Ceylon and Japan are supplied by the Statistical Office of the United Nations. W. I. Abraham, *op. cit.*, p. 24; *Federal Reserve Bulletin*, August 1951, p. 929.

Note: Concept of income differs between countries, particularly as regards treatment of non-money income and direct tax liabilities.

DISTRIBUTION BY SIZE

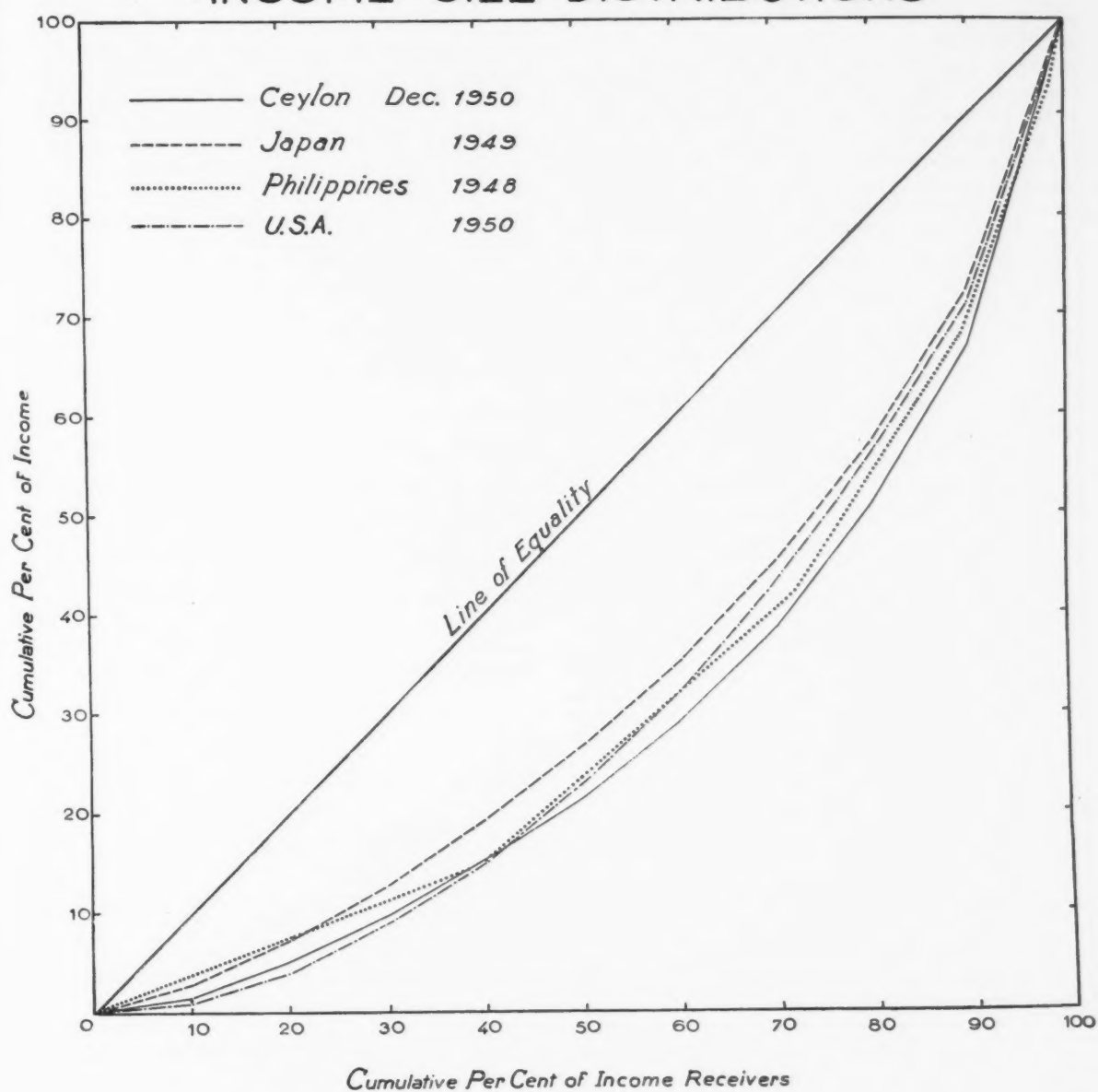
Many countries of the ECAFE region are often believed to be characterized by highly unequal distributions of income. The great bulk of personal income is allegedly concentrated in a relatively few wealthy individuals. There is allegedly no significant middle class to bridge the gap between them and the poverty-stricken masses, or to provide economic mobility in an upward direction. It has not been possible heretofore to check statistically this widespread belief, due to the under-development (except in Japan) of broad-based income taxes which have provided basic statistical data in other countries. In the first half of 1952, however, distributions of income by size were made available for the first time in Far Eastern countries. One of

these is for Ceylon in 1950, the other for the Philippines in 1948. The Ceylonese data are based on a medical survey, those for the Philippines on a population census which included questions on income.¹ Japanese figures for 1949, derived from tax data,² are also included, but

1. For Ceylon, see Theodore Morgan and M. Swaminathan, "An Estimate of Inequality of Income in Ceylon, the United Kingdom, and the United States," *Central Bank of Ceylon Bulletin*, March 1952, pp. 9-11; for the Philippines, W. I. Abraham, *op. cit.*, Table X, p. 24; for Japan, *Statistical Yearbook of Japan*, 1950, p. 374. The United States data used above for comparative purposes are found in a joint study of the Board of Governors of the Federal Reserve System and the Survey Research Centre, University of Michigan, "1950 Survey of Consumer Finances. Part III: Distribution of Consumer Income in 1949," *Federal Reserve Bulletin*, Vol. XXXVI, No. 8 (August 1950), pp. 948-965, especially Table 8, p. 955. For other countries, scattered data is reproduced in "National Income and its Distribution in Underdeveloped Countries," *op. cit.*, pp. 29-32.

2. Japan has had a broad-based income tax since 1946. The size distribution of income in Japan is a fruitful field of study for Japanese economists and statisticians.

INCOME SIZE DISTRIBUTIONS



they are seriously distorted at both upper and lower extremes by tax evasion and avoidance and should not be considered comparable. Figures from these countries have somewhat less significance for world opinion than would figures from India, the traditional example of extreme inequality, or from the mainland of China, where the most ambitious attempt has been made at its elimination.

The results are found in Table 7 and illustrated in Chart 1, with similar data for the United States in 1949 for comparative purposes. The figures for the three countries are not perfectly comparable, particularly in their treatment of non-money income. (This is excluded in the American case, but included in the others, most completely in Ceylon. In general, inclusion of non-money income makes the distribution more equal than one based on money income alone). There are also problems involved in the systematic under-reporting of income, in the definition of the income-receiving group, and many more. Nevertheless, within the limits of accuracy of the data, the popular view regarding extreme inequality in the ECAFE region is not supported even if the Japanese material is discounted. The distributions in Japan and the Philippines are slightly more equal than that in the United States; the distribution in Ceylon is somewhat less equal. The concentration ratios, or coefficients of inequality, are: Ceylon 42, U.S.A. 40, Philippines 39, Japan 34.

The meaning of these concentration ratios is best explained with reference to Chart 1. On the horizontal axis of the chart is measured the cumulative percentage of income receivers, from 0 to 100. The lowest income groups are entered first, at the left, following Column 2 of Table 7. On the vertical axis is measured the cumulative percentage of total income received (before deduction of income taxes). Again the scale runs from 0 to 100, and the lowest income groups are entered first, at the bottom, following Column 4 of Table 7. Plotting the resulting points for each country separately, the four curves shown on the chart are obtained. They are known as Lorenz curves and are widely used in economic statistics.

If a country had an absolutely equalitarian income distribution, its Lorenz curve would be a 45-degree straight line. Any 10 per cent of income receivers would get 10 per cent of the income; any 20 per cent, 20 per cent of the income; and so on. On the other hand, if all the income in the country were received by one person, the Lorenz curve would correspond to the vertical and horizontal axes. The lowest 10, 20, 30, 90, or 95 per cent would receive no income. Only the last man would receive 10 per cent. This is perfect inequality.

All actual income distributions fall between the two extremes of perfect equality and perfect inequality. On the chart, the Lorenz curves also lie between the straight line of equality and the perpendicular axes of inequality.

The more equal the distribution, the closer will its Lorenz curve lie to the line of equality. Thus, on the chart, the line representing Japan lies generally closest to this line, and those for the Philippines, the United States and Ceylon progressively further from it.

The area between the line of equality and the Lorenz curve for any country may be called A, and the area of the triangle under the line of equality may be called B. When there is perfect equality, area A vanishes, since the Lorenz curve coincides with the line of equality. The ratio of area A to area B is therefore zero. When there is perfect inequality, areas A and B coincide, since the Lorenz curve coincides with the horizontal and vertical axes. The ratio of area A to area B is therefore unity. These are the two extremes; in intermediate cases, the ratio of area A to area B is a fraction, which can be expressed as a percentage. The greater the degree of equality, the closer the Lorenz curve to the line of equality, the smaller will be this percentage, or concentration ratio as it is known.¹ It is this percentage, or concentration ratio, which has been computed for the four countries mentioned.

The relative uniformity in the degrees of income inequality prevailing in such different economies is indeed surprising, and suggests some generalization having the character of a statistical-economic "law." Is it possible to reconcile the results with the conventional belief regarding the extreme degree of inequality in Asia and the Far East, assuming that similar results would hold for the remainder of the region? Two possible lines of reconciliation have suggested themselves. They are not mutually exclusive, and each can be submitted only tentatively and with diffidence, pending further research.

In the first place, the degree of inequality is perhaps more often judged less by the over-all degree of inequality prevailing in the entire income-receiving population, which is sought to be measured by the concentration ratio, than by the relative share of the topmost one, two, or five, per cent (the very rich). The degree of inequality elsewhere in the population leaves relatively little impression. As the studies of Professor Simon Kuznets on the relative share of the upper five per cent of American income receivers have indicated, this may change quite substantially over time while the income distribution as a whole follows a Lorenz curve

1. Because of the low accuracy of the data, areas under curves are not calculated with higher mathematical aids such as integration of fitted curves, but instead, by finding the total area under the sections of straight lines joining the various points. Accordingly, in interpreting concentration ratios from statistical data, account should be taken of a slight mathematical bias which arises in their computation. The greater the number of classes into which the data are divided, the smaller will be the concentration ratio computed from a given income distribution. In comparing results from three different income distributions, the fineness of the class intervals should be noted. In the present instance, data from Ceylon are the most finely divided, followed by those from Japan, the United States and the Philippines in that order. The concentration ratios for Ceylon and Japan therefore have a slight upward bias as compared with that for the United States, and that for the Philippines a downward bias.

of almost unchanging pattern. National statistics show that in Ceylon the upper 1.3 per cent received 9.3 per cent of the total income and the upper 1.2 per cent in the Philippines received 7.9 per cent.¹ (The closest comparable figure for the United States is for the highest 5 per cent of income receivers; their total money income was 20 per cent of the total).

A second possible explanation for exaggerated estimates of inequality in countries of the region is the inability of many travellers and many residents in foreign settlements to distinguish between middle-class and lower-class living standards in the countries concerned, in view of the admittedly low level of per capita income and the high prices of many Western goods. To a middle-class Western traveller in the region, or to a middle-class Western resident in a foreign settlement in the region, middle-class life involves the habitual consumption of certain conveniences, mainly Western in origin. (Automobiles, flush toilets, and canned foods may be taken as examples). The traveller sees these consumed, within the region, mainly by those who, at the same time, occupy large houses, employ platoons of servants, possess stocks of jewellery and art objects, and otherwise live on a scale characteristic of extremely wealthy individuals in the West. The casual observer may draw from this condition quite unwarranted conclusions about the inequality of the income distribution, particularly if, as is likely, he ignores such distinctions as those between grass and tile on a farmer's roof, between wood and dirt on his floor, or between rice-vegetables-and-fish and rice-and-vegetables alone in his daily diet.

FOREIGN AID AND FOREIGN INVESTMENT INCOME

Considerable exaggeration appears to be current within the region as to the percentage of the gross geographical product of each country which is paid to foreign investors as interest and dividends. In Western Europe and America, there prevails a corresponding exaggeration as to the importance of grants and loans in maintaining the region's economies at their present levels. The fact of the matter appears to be as shown in Table 8. Both investment income and foreign aid are strategic in particular circumstances, such as alleviation of the Indian food shortage of 1951 or improving the port facilities of Bangkok, and they may produce substantial changes in the near future, but neither investment income nor foreign assistance has loomed very large in recent years, in comparison with the total geographical products of the countries concerned.

The investment income figures in Table 8 are taken net of similar payments to residents of the country concerned from their own foreign investments. A negative result means, therefore, that residents of the country in question receive larger amounts from their own foreign investments than is paid out to foreigners in interest and dividends on their investments in that country. The statistics include in principle returns in both directions which are either transmitted abroad or reinvested in the country where they are earned. Coverage of the last-named item, however, is admittedly faulty. It is probable that complete coverage would increase considerably the statistical importance of investment income as a percentage of gross geographical product. Payments to foreign employees, managers, etc., are not included in the totals as given.

Payments to foreign investors appear to have been significant before the last war in four of the countries studied (Burma, Ceylon, Indonesia, and probably also Malaya). During the post-war period, however, this item has rarely arisen above 2 per cent of the gross geographical product. Physical destruction during the war, internal disturbances in subsequent years, and some sales of investment properties to Asian nationals, have combined to produce this decrease.

For most countries, during the post-war period, the total of net donations and international lending has been of greater significance than payments to foreign investors. In international lending are included all types of "official financing" as defined by the International Monetary Fund for its *Balance of Payments Yearbooks*. Decreases in gold holdings in foreign balances, for example, are included as "international lending," together with formal loans. Increases in these items are included with amortization of earlier loans as representing repayment of loans, a negative item.

After rising to substantial proportions in the early post-war years, particularly in Japan, Korea, and the Philippines,² the importance of this item has fallen sharply since 1948. In several countries, it has turned positive. This implies (in Ceylon, and probably Malaya) a net outward movement of donations to China and India. In Burma and Thailand, accumulation of foreign balances plus some amortization of previous loans was the cause. The Colombo Plan and various other aid programmes are expected to raise the relative importance of foreign aid in many countries during the period 1952-1957, but it is doubtful whether the percentage in Table 8 will rise above 5.0, unless far more ambitious programmes are adopted and carried out for the international financing of economic development in the region.

1. In Japan, the upper 1.0 per cent appears to have received only 6.4 per cent of the total. This figure, however, is not comparable, owing to the prevalence of under-reporting for tax avoidance purposes.

2. In the occupied areas, GARIOA and EROA aid accounted for the bulk of the foreign aid received during 1946-1948. In the Philippines, substantial demobilization allowances, pensions, etc. were paid to troops who had served with the United States forces during the war.

TABLE 8.
NET DONATIONS, INTERNATIONAL BORROWING AND NET PAYMENTS TO FOREIGN
INVESTORS AS PERCENTAGES OF GROSS GEOGRAPHICAL
PRODUCT, ECAFE COUNTRIES

Country and Year	Net donations and international borrowing (+)		Net payments to foreign investors	
	Amount	Per cent of G.G.P.	Amount	Per cent of G.G.P.
BURMA (Million rupees)				
1950/51	-246	- 6.7	5	0.2
1949/50	-156	- 5.1	8	0.3
1948/49	-255	- 7.9	13	0.4
1947/48	225	6.4	6	0.2
1938/39	-167	- 11.6	85	5.9
CEYLON (Million rupees)				
1951	-184	- 3.9	65	1.4
1950	-206	- 5.0	55	1.3
1949	- 2	0.1	29	0.9
1948	-113	- 4.0	49	1.7
1938	- 15	- 21.2	47	6.6
INDONESIA (Million guilders)				
1938 . . . . .	..	..	195	6.3
JAPAN				
1950/51 (Thousand million yen)	128.6	3.2	2.4	0.1
1949/50 (Thousand million yen)	198.4	5.9	0.5	..
MALAYA (Million Malayan dollars)				
1950 ^p . . . . .	..	..	120	2.2
1949 . . . . .	..	..	47	1.4
1948 . . . . .	..	..	39	1.1
PHILIPPINES (Million pesos)				
1951	195	- 2.3	43	0.5
1950	- 13	- 0.2	30	0.4
1949	688	10.8	60	0.9
1948	269	4.2	54	0.8
THAILAND (Million bahts)				
1950	-546.4	- 2.1	- 1.6	..
1949	-326.4	- 1.5	..	..
1948	-616.8	- 3.3	5.6	..

p. Preliminary.

Sources and notes same as for Table 1; also International Monetary Fund, *Balance of Payments Yearbook*, Vol. III (1949/50) and other data supplied by the International Monetary Fund.

ASIAN ECONOMIC STATISTICS

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SYMBOLS EMPLOYED

The following symbols have been used throughout.

* = Average of six to eleven months	Mn = million
‡ = 12 months beginning April of the year stated	.. = not available
† = 12 months ending September of the year stated	— = nil or negligible

Figures in italics are provisional

Unless otherwise stated, the standard unit of weight used throughout is the metric ton.

The following symbols are used to represent the abbreviations of national currencies in Asia and the Far East:

K. = Kyat (Burma)
Rs. = Rupees (Ceylon, India and Pakistan)
NT\$ = New Taiwan dollar
HK\$ = Hong Kong dollar
Rp. = Rupiah (Indonesia)
Y. = Yen (Japan)
W. = Won (Republic of Korea)
M\$ = Malayan dollar (Federation of Malaya, Singapore, North Borneo, Brunei and Sarawak)
P. = Peso (the Philippines)
Pr. = Piastre (Cambodia, Laos and Viet-Nam)

The term Indochina is used in a geographic sense to cover the Customs Union of Cambodia, Laos and Viet-Nam.

The term Malaya includes the Federation of Malaya and Singapore.

SOURCES

To ensure comparability, data compiled or published by the United Nations Statistical Office have been incorporated wherever possible; the material supplied by governments, publications of governments, the United Nations and its specialized agencies and international commodity study groups have been used as additional sources.

PRODUCTION

1. PRODUCTION OF SELECTED COMMODITIES

Monthly averages or calendar months

Thousand tons

	1938 ^d	1948	1950	1951	1951		1952							
					I	IV	I	Jan.	Feb.	Mar.	Apr.	May	June	
COAL														
India	2,400	2,551	2,735	2,905	2,964	2,978	3,209	3,240	3,270	3,117	3,236	3,225	2,895	
Indonesia	121	45	67	72	75	74	77	71	79	81	..	..	..
Japan	3,484	2,810	3,205	3,610	3,247	4,004	4,306	4,111	4,262	4,545	4,019	3,973	3,824	
Korea, south	19	67	47	9	—	31	38	48	34	32	28	..	..
Malaya	40	32	35	32	32	31	24	24	21	26	30	27	27	
Pakistan ^a	—	20	37	43	47	48	67	70	62	68	47	42	..	
Viet-Nam	195	30	42	52	48	63	67	60	50	89	78	68	58	
ELECTRICITY (mn. kwh)														
Burma	—	2	3	..	3	..	..	..	..	..	..	1	..
Cambodia	1	1	1	1	1	1	1	1	1	1	1	1	2	
Ceylon	3	5	7	9	8	9	9	10	9	10	9	..	..
China (Taiwan) . . . . .	..	70	87	107	99	111	103	106	104	100	102	120	..
Hong Kong . . . . .	..	13	24	29	28	31	32	31	32	32	31	33	32
India	211 ^q	381	425	489	462	500	488	501	481	482	489	514	500	
Japan	2,004	2,644	3,236	3,426	3,462	3,313	3,470	3,545	3,289	3,576	3,732	3,847	3,696	
Korea, south . . . . .	..	41	34	26	14	42	45	48	42	47	45	49	..
Malaya . . . . .	..	..	56	66	62	70	79	79	76	80	79	..	..
Pakistan	—	11	14	19	17	21	..	..	..	..	..	..	..
Philippines (Manila)	12	30	38	41	39	44	44	45	42	45	43	46	45	
Thailand ^k (Bangkok)	3 [†]	4	4	5	4	5	5	5	6	6	5	5	5	
Viet-Nam	8	8	14	16	15	18	19	19	17	19	19	19	18	
PETROLEUM, CRUDE														
Brunei	59	224	343	..	402	..	..	..	..	..	..	..	..
Indonesia	616	361	534	620	600	657	623	662	586	622	..	..	..
Japan	30	14	25	28	27	26	26	26	25	27	26	26	25	
Pakistan	—	5	14	13	14	12	14	12	13	16	15	16	..	
Sarawak	17	4	5	..	4	..	..	..	..	..	..	..	..
IRON ORE														
Hong Kong . . . . .	..	—	14	14	13	17	16	24	18	7	5	8	14
India	232	193	250	..	..	..	..	..	..	..	..	..	..
Japan	52	47	69	76	56	80	75	69	77	79	58	81	90	
Malaya	137	—	42	72	38	67	40	30	29	61	89	113	92	
Philippines	77	2	50	74	47	70	89	64	92	110	115	123	114	
PIG IRON & FERRO-ALLOYS														
India ^b	131	124	142	154	145	159	161	162	156	166	156	153	142	
Japan	172	70	192	269	221	300	308	317	290	316	316	328	289	
STEEL INGOTS & CASTINGS														
India	82	106	122	127	124	130	136	141	127	139	138	125	120	
Japan	435	143	403	542	493	560	586	574	572	612	604	612	575	
FINISHED STEEL														
India	59	72	85	91	90	95	93	92	92	93	84	93	89	
Japan	379	105	289	438	415	419	465	439	471	486	479	444	416	
TIN IN CONCENTRATES (tons)														
Burma	419	97	142	80	80	80	80	80	80	80	80	80	80	
China	906	406	305	305	305	305	305	305	305	305	305	305	305	
Indonesia	2,517	2,592	2,718	2,623	2,526	2,758	2,429	1,997	2,358	2,931	2,755	3,092	3,010	
Japan . . . . .	..	10	28	37	30	40	46	43	44	51	57	52	48
Laos & Viet-Nam	135	3	5	8	8	8	8	8	8	8	8	8	8	
Malaya	3,673	3,795	4,872	4,840	4,672	4,971	4,709	4,819	4,497	4,811	4,744	5,028	4,753	
Thailand	1,255	359	878	805	821	819	754	767	744	751	708	703	783	
TIN METAL (tons)														
Malaya	5,456	4,209	5,821	5,581	5,482	5,690	5,303	4,461	5,117	6,330	5,150	4,830	4,758	
NATURAL RUBBER ^c														
British Borneo ^d	2.4	5.2	7.0	5.6	5.2	4.8	4.9	5.7	4.0	4.9	5.7	3.3	5.6	
Burma ^d	0.8	1.0	0.8	0.9	1.2	0.4	1.8	2.3	1.8	1.3	1.3	1.0	1.0	
Cambodia	2.4	1.4	1.2	1.3	0.6	1.9	0.9	1.4	0.3	1.0	1.1	1.3	1.6	
Ceylon	4.3	8.0	9.6	8.9	8.8	10.7	7.5	9.1	6.1	7.1	7.1	5.6	6.6	
India	1.3	1.3	1.3	1.5	0.8	2.0	1.1	1.7	0.3	1.1	2.0	1.6	1.2	
Indonesia	27.0	36.6	58.2	68.2	72.9	65.5	65.3	69.6	65.2	61.2	63.0	58.2	52.0	
Malaya	30.4	59.1	58.8	51.3	55.6	50.8	47.7	51.7	44.0	47.4	45.4	46.5	48.4	
Thailand ^d	3.5	8.1	9.5	9.2	10.1	7.7	9.1	9.8	8.2	9.2	8.0	9.0	4.7	
Viet-Nam	3.6	2.3	2.7	3.1	2.0	4.2	2.1	3.7	0.9	1.6	2.7	3.5	3.7	
VEGETABLE OILS														
Malaya: Coconut oil . . . . .	..	7.88	7.66	8.99	6.74	10.72	8.25	8.54	8.52	7.70	8.44	8.56	8.90
Palm oil	4.32	3.83	4.50	4.09	3.86	4.68	3.26	3.23	3.16	3.38	3.40	3.12	3.07	
COTTON YARN														
Hong Kong . . . . .	..	..	2.0	2.4	2.1	3.0	2.6	2.5	2.7	2.7	2.4	2.5	..
India	49.3	55.0	43.7	49.0	46.1	51.2	51.0	51.8	50.3	50.8	52.4	53.5	51.3	
Japan ^e	54.5	10.4	19.9	28.1	24.5	29.6	30.8	33.3	32.3	26.8	27.9	25.8	27.3	
Korea, south . . . . .	..	0.5	0.8	0.4	0.4	0.6	0.5	0.5	0.6	0.5	0.7	..	..
COTTON FABRICS (mn. metres)														
Ceylon (mn. sq. metres)	0.6	0.5	0.5	0.6	0.6	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	
India	325	337	275	318	291	295	314	315	311	316	334	358	344	
Japan ^e (mn. sq. metres)	243.6	64.4	107.4	151.8	128.7	157.2	162.5	156.4	168.3	162.9	156.7	148.3	151.5	
Korea, south . . . . .	..	2.1	4.1	2.4	2.2	2.8	2.6	2.2	3.1	2.4	2.8	..	..
Pakistan	—	6.7	8.1	9.7	8.7	10.3	11.1	11.1	11.0	11.3	11.8	..	..
Philippines . . . . .	..	0.6	0.7	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6

PRODUCTION

1. PRODUCTION OF SELECTED COMMODITIES—(Cont'd)

Monthly averages or calendar months

Thousand tons

	1938 ^p	1948	1950	1951	1951		1952						
					I	IV	I	Jan.	Feb.	Mar.	Apr.	May	June
JUTE MANUFACTURES													
India ^a	107.2	92.0	70.8	74.1	68.4	79.8	87.5	93.3	85.0	84.2	83.0	83.6	74.9
PAPER													
India (including paper products)	49.28	8.29	9.22	11.17	10.50	11.81	11.54	12.35	10.99	11.27	11.81	11.08	10.52
Japan	88.12	35.33	72.58	97.36	89.26	99.59	101.74	98.13	100.23	106.86	105.04	108.07	109.26
SOAP													
India . . . . .	..	6.40	6.16	7.06	6.58	7.71	7.43	8.02	7.14	7.12	7.37	6.22	6.1
Japan	15.97	1.26	8.03	12.17	14.00	8.74	10.22	8.50	10.48	11.68	12.48	13.56	13.5
Korea, south . . . . .	..	0.32	0.22	0.16	0.46	0.15	0.23	0.18	0.31	0.21	0.11	..	..
Malaya . . . . .	..	1.92	1.42	1.54	1.76	1.43	1.33	1.05	1.43	1.51	1.30	1.33	1.34
CEMENT													
China (Taiwan) . . . . .	..	19.6	27.7	32.4	27.9	33.9	27.6	21.8	24.6	36.3	43	42	..
Hong Kong . . . . .	..	4.4	5.7	6.0	6.5	6.7	7.1	9.9	7.7	3.6	5.2	7.3	5.7
India	119	131	221	271	247	300	279	290	251	295	302	289	280
Japan	473.6	154.9	371.9	545.6	456.6	604.0	548.3	505.9	574.1	564.8	591.2	653.9	521.4
Korea, south . . . . .	..	1.9	0.8	0.5	..	2.2	0.1	..	0.2	..	4.6	..	..
Pakistan . . . . .	..	25.8	34.3	42.2	41.5	43.3	43	41	38	51	50	..	..
Philippines ^g	13.9	10.0	24.9	24.9	19.1	24.3	27.5	29.9	24.9	27.7	25.6	28.2	27.9
Thailand	9.7 ^h	6.9	13.8	19.0	18.9	21.2	21.4	20.3	18.7	25.2	22.3	19.9	19.7
Viet-Nam	22.2	8.1	12.0	17.7	15.0	18.4	20.2	19.7	17.5	23.5	18.9	16.8	13.6
SUPERPHOSPHATES													
China (Taiwan) . . . . .	..	2.36	3.15	4.51	5.14	6.36	2.96	2.64	1.19	5.04	..	..	..
India . . . . .	..	1.81	4.44	5.17	3.94	6.11	4.70	5.74	4.31	4.06	2.18	4.65	5.87
Japan ^h	119.77	79.64	117.33	125.47	128.72	142.46	141.79	151.33	151.75	122.28	123.36	107.20	100.00
OTHER CHEMICALS													
India													
Sulphuric acid	2.05 ⁱ	6.77	8.68	9.05	8.67	9.83	7.41	9.46	6.07	6.71	6.11	8.94	8.60
Ammonium sulphate . . . . .	..	2.98	4.00	4.46	3.38	7.26	11.92	10.86	10.97	13.92	14.76	14.16	13.51
Soda ash . . . . .	..	2.47	3.71	4.02	4.17	3.85	3.71	4.02	3.90	3.22	2.04	1.18	2.81
Caustic soda . . . . .	..	0.37	0.92	1.25	1.04	1.56	1.46	1.52	1.33	1.53	1.39	1.17	1.14
Liquid chlorine . . . . .	..	0.15	0.34	0.45	0.40	0.52	0.49	0.48	0.47	0.52	0.51	0.45	0.50
Bleaching powder . . . . .	..	0.24	0.28	0.30	0.40	0.17	0.10	0.11	0.09	0.10	0.03	0.05	0.08
Power alcohol (mn. litres) . . . . .	..	1.43	1.70	2.20	2.47	2.50	3.40	2.82	3.76	3.61	3.16	2.76	2.05
Industrial alcohol (mn. litres) . . . . .	..	1.11	1.86	2.67	2.91	2.35	2.96	3.27	3.09	2.54	2.94	2.66	2.58
Japan													
Sulphuric acid ⁱ	240.9	162.2	270.8	315.8	300.5	315.8	339.7	359.8	315.8	343.6	342.5	344.2	319.7
Ammonium sulphate ^j	72.9	79.3	130.8	139.5	133.2	139.9	153.1	160.8	141.2	157.4	167.0	178.6	176.3
Calcium cyanamide ^j	17.9	19.0	38.3	34.6	38.2	24.6	37.8	34.6	35.6	43.3	54.1	51.8	39.5
Soda ash (finished)	19.4 ^k	6.3	13.8	18.8	17.3	18.7	16.8	18.4	16.5	15.4	15.2	14.6	15.2
Caustic soda	24.9 ^l	8.8	16.2	27.0	22.9	28.0	22.0	24.1	20.6	21.5	21.4	21.4	20.2
Liquid chlorine	0.8 ^m	0.5	1.4	2.0	1.8	2.0	2.1	2.1	1.8	2.2	2.6	2.3	2.2
Bleaching powder	5.7	2.1	4.1	5.2	5.7	5.2	4.6	5.5	4.1	4.1	4.2	4.7	4.4
Dyestuffs	1.59	0.42	0.75	1.18	1.30	1.17	1.03	1.02	1.07	0.99	0.92	0.99	0.99
Methyl alcohol	0.36	0.63	1.97	2.46	3.19	2.25	2.69	2.80	2.38	2.89	2.53	1.99	1.85
Ethyl alcohol (mn. litres)	0.51	2.46	1.96	2.59	2.37	3.05	1.65	2.28	1.92	0.75	1.14	2.54	2.77
MACHINERY & VEHICLES													
India (thousands)													
Bicycles . . . . .	..	5.2	8.6	9.5	7.9	14.5	9.9	5.7	10.8	13.2	14.2	14.5	17.8
Diesel engines (Units) . . . . .	..	85	383	604	607	702	613	663	605	571	350	320	139
Electric motors (1000 h.p.) . . . . .	..	5.0	6.8	11.8	10.5	11.8	13.7	13.5	13.0	14.6	13.8	13.0	10.9
Machine tools (1000 Rs.) . . . . .	..	456	222	394	426	423	355	289	364	411	412	541	361
Sewing machines . . . . .	..	1.7	2.6	3.7	3.0	3.9	4.3	4.2	4.4	4.2	4.6	4.5	3.9
Electric transformers (1000 kva) . . . . .	..	6.8	14.3	16.2	15.5	16.1	17.9	21.2	16.1	16.3	13.4	16.2	16.4
Electric lamps . . . . .	..	771	1,192	1,293	1,150	1,561	1,754	1,796	1,708	1,757	1,544	1,681	1,469
Electric fans . . . . .	..	15.0	16.1	18.0	18.1	15.9	17.8	16.4	17.0	20.0	19.5	20.0	18.1
Insulators, l.t. . . . .	..	209	107	119	128	218	286	349	232	277	307	253	246
Insulators, h.t. . . . .	..	7.5	14.5	20.4	12.1	23.6	38.1	36.8	37.1	40.4	18.8	10.5	9.2
Motor car batteries . . . . .	..	9.2	15.6	17.5	17.8	14.2	17.9	17.3	17.6	18.8	14.7	18.0	14.2
Japan (Units)													
Railway locomotives	28	4	10	4	—	5	5	—	9	5	3	2	—
Railway freight cars	406	367	186	503	128	834	399	389	438	371	46	62	307
Industrial locomotives	37 ^r	42	35	39	35	40	28	26	27	30	40	39	45
Industrial freight cars	592	1,612	752	955	522	1,364	1,124	1,280	1,276	815	1,080	922	1,270
Motor vehicles	2,987 ^r	3,917	6,265	8,861	8,506	9,219	10,184	8,785	10,562	11,204	11,312	13,160	14,865
Bicycles ('000)	87.9	28.1	81.8	82.3	92.0	83.1	74.9	69.5	78.5	76.7	76.2	77.7	85.3
Vessels (gross '000 tons) . . . . .	..	15.5	19.7	37.5	51.4	58.7	59.1	35.7	65.4	76.5	47.6	57.6	0.3
Diesel & other internal combustion engines . . . . .	..	6,332	8,297	12,907	10,468	16,780	13,985	13,595	14,075	14,285	13,627	14,365	16,301
Cotton ring spinning frames . . . . .	..	..	182	556	437	566	295	295	325	266	238	266	328
Looms . . . . .	..	3,070	2,044	4,165	3,077	4,672	3,413	3,569	3,380	3,290	2,679	2,025	1,615
Sewing machines ('000)	3.1	15.0	43.1	92.7	68.8	114.1	118.8	107.8	102.1	146.4	134.6	138.1	133.0
Machine tools	1,352	671	336	761	451	882	928	842	808	1,134	794	886	752

a. Including lignite.

b. Including direct castings, except for 1938.

c. Including latex.

d. Net exports.

e. Including mixed yarn predominantly of cotton.

f. Data beginning 1950 refer to the output of member mills of Indian Jute Mills Association.

g. Production of Cebu Portland Cement Company only.

h. Converted to 16 per cent phosphorous pentoxide content.

i. Converted to 50° Be.

j. Converted to 20 per cent N2 content.

k. Relates only to the consumption of electricity generated by the principal Electricity Works.

p. 1936 for Japan, unless otherwise indicated; 1938 figures for India include territory now under Pakistan.

q. 1939. r. 1937.

TRANSPORT

2. VOLUME OF TRAFFIC: RAILWAY, SEA-BORNE SHIPPING AND CIVIL AVIATION

Monthly averages or calendar months

	1938 ^a	1948	1950	1951	1951		1952						
					I	IV	I	Jan.	Feb.	Mar.	Apr.	May	Jun.
RAILWAY TRAFFIC ^a													
Passenger-kilometres (mn.)													
Burma	59	40	14	28	27	26	35	28	37	41	41	..	..
Cambodia & Viet-Nam	74	8	6	9	8	10	9	9	10	9	10	10	10
India	2,385	4,925	5,396	5,078	5,382	4,961	5,116	4,614	5,182	5,552	..	..	..
Japan	2,185	6,595	5,750	6,421	5,707	6,547	5,780	6,072	5,132	6,136	6,992	7,490	6,254
Pakistan	—	656	761	..	903	829	..	844	826	..	..	..	..
Philippines	40	24	30	32	21	29	31	34	28	30	39	40	39
Thailand	25	109	120	152	161	146	204	171	221	221	236	220	169
Freight ton-kilometres (mn.)													
Burma	95	52	7	17	17	18	28	21	34	30	33	..	..
Cambodia & Viet-Nam	28	7	11	15	14	15	17	13	19	19	24	23	16
India	2,968	3,040	3,638	3,807	3,812	3,980	4,044	3,754	4,036	4,341	..	..	..
Japan	1,305	2,109	2,560	3,074	2,668	3,330	2,917	2,772	2,847	3,131	3,257	3,295	3,101
Malaya	22	26	33	33	33	32	30	24	32	33	32	33	31
Pakistan	—	319	370	..	412	439	..	392	379	..	..	..	..
Philippines	14	10	13	12	13	10	13	12	14	13	12	12	11
Thailand	38	25	40	45	46	44	47	46	45	48	44	43	44
Freight tons ('000)													
Ceylon	77	102	108	127	128	133	137	137	136	138	151	..	..
Hong Kong	40	8	29	23	28	19	14	20	12	12	10	10	13
Indonesia	810	292	449	492	485	503	448	487	437	419	413	459	421
INTERNATIONAL SEA-BORNE SHIPPING													
Freight Loaded (L) and Unloaded (U) in External Trade ('000 metric tons)													
Ceylon (Colombo) L	54	63	61	60	62	62	64	80	55	57	56	75	60
U	109	141	161	178	166	169	159	188	137	151	223	168	181
Hong Kong L	..	89	189	142	188	120	123	143	109	116	95	108	114
U	..	197	325	261	269	242	233	237	229	233	271	316	258
Indonesia ^b L	916	432	704	749	501	779	624	785	313	774	782	676	706
U	167	160	212	212	81	185	166	170	137	191	226	227	177
Japan L	1,092	165	299	309	274	370	366	356	392	351	359	..	..
U	2,771	563	971	1,760	1,229	1,637	1,656	1,437	1,521	2,010	1,955	..	..
Malaya ^c (Singapore) L	..	121	197	217	212	211	194	190	188	203	215	179	191
U	..	163	329	410	397	419	406	410	397	412	423	402	434
Philippines (Manila) L	..	..	26	259	252	281	256	210	277	280	349	467	..
U	192 ^a	..	156	217	199	228	207	212	169	240	185	217	..
Viet-Nam (Saigon) L	142	46	46	70	68	72	61	51	51	80	69	71	63
U	43	54	74	92	80	104	113	123	91	125	146	128	143
Entrances (E) and Clearances (C) of Vessels with Cargo in External Trade ('000 net registered tons)													
Burma ^d E	311	118	86	106	97	92	80	94	106	40	..	..	..
C	361	157	106	138	123	113	120	101	122	137	..	..	..
India E	760	646 ^e	670	777	779	824	855	818	855	891	865	855	..
C	793	567 ^e	607	649	720	642	659	665	546	765	695	730	..
Pakistan ^f E	..	241	299	371	371	371	480	486	408	546	411	399	327
C	..	176	264	283	240	279	334	342	326	335	308	290	229
Thailand E	72	67	112	112	107	116	119	110	117	130	..	..	..
C	100	92	138	133	142	137	134	146	125	131	..	..	..
CIVIL AVIATION TRAFFIC ^e													
Passenger-kilometres (mn.)													
Ceylon	—	0.36	0.82	2.76	0.77	3.75	2.34	2.51	2.25	2.28	2.31	2.18	2.53
India	0.11	23.65	31.30	34.49	32.72	35.92	..	..	..	..	..	..	..
Indonesia	..	8.49	12.35	13.30	13.26	12.92	12.60	12.53	12.33	12.94	12.89	13.74	13.85
Philippines	0.21	14.57	15.62	17.47	15.00	18.00	15.86	16.49	13.88	17.21	18.43	18.51	18.64
Thailand	—	0.93	1.62	2.01	2.05	2.22	2.35	2.40	2.14	2.52	2.80	2.84	2.22
Freight ton-kilometres (mn.)													
Ceylon	—	2	10	196	9	182	147	142	167	133	176	126	118
India	34	475	1,868	2,204	1,917	2,322	..	..	..	..	..	..	..
Indonesia	..	389	534	595	601	583	606	603	563	651	564	664	537
Philippines	..	540	637	793	773	789	803	784	672	952	815	845	517
Thailand	1	17	43	59	52	64	72	81	64	69	62	68	92

a. Railway traffic coverage:

India and Pakistan: class I railways, broad and metre gauge only; Indonesia: Postwar data relate to Federal Area only; Japan: State Railway only; Philippines: Manila Rail Road Company.

Annual data relate to: 12 months beginning 1 April of year stated for India, Japan and Pakistan; 12 months ending September of year stated for Burma for postwar; 12 months ending June of year stated for Philippines.

b. Postwar data relate to Federal Area only.

c. Including coast-wise traffic of Malaya.

d. Total number of entrances and clearances made during each voyage but excluding sailing vessels. Annual figures relate to 12 months ending 30 September of postwar year stated.

e. Scheduled domestic and international routes.

f. Prewar data relate to 1936 for Japan, 1939 for Malaya, and April 1938 to March 1939 for Burma and Thailand; prewar figures for India include territory now under Pakistan for both railway traffic and sea-borne shipping.

g. 1937.

EXTERNAL TRADE

3. VALUE OF IMPORTS AND EXPORTS AND BALANCE OF TRADE

Monthly averages or calendar months

Millions

	1938	1948	1950	1951	1951		1952						
					I	IV	I	Jan.	Feb.	Mar.	Apr.	May	Jun.
N. BORNEO (M\$)													
Imports	0.5	2.1	3.8	5.9	5.0	6.0	5.7	5.5	5.4	6.3	5.9	6.5	..
Exports	0.8	2.5	7.8	10.2	12.1	9.1	7.0	8.9	6.2	5.9	5.9	5.6	..
Balance	+ 0.3	+ 0.4	+ 4.0	+ 4.3	+ 7.1	+ 3.1	+ 1.3	+ 3.4	+ 0.8	+ 0.4	—	— 0.9	..
BURMA (K.)													
Imports	18†	50†	44	55	55	56	59	57	66	55	..	..	..
Exports	41†	63†	61	82	84	60	47	54	62	26	..	..	..
Balance	+ 23	+ 13	+ 17	+ 27	+ 29	+ 4	— 12	— 3	— 4	— 29	..	..	..
CEYLON (Rs.)													
Imports	20	83	97	130	117	127	151	152	151	151	141	129	170
Exports	24	84	130	159	178	149	143	172	140	116	136	136	127
Balance	+ 4	+ 1	+ 33	+ 29	+ 61	+ 22	— 8	+ 20	— 11	— 35	— 5	+ 7	— 43
CHINA (Taiwan) (NT.\$)													
Imports	..	..	66	99	82	117	115	114	100	129	139	161	130
Exports	..	..	50	90	89	74	117	97	126	129	245	151	157
Balance	..	..	— 16	— 9	+ 7	— 43	+ 2	— 17	+ 26	—	+ 106	— 10	+ 27
HONG KONG (HK \$)													
Imports	52	173	317	408	445	426	335	386	335	285	285	301	269
Exports	51	134	313	372	517	270	218	199	214	242	217	233	215
Balance	— 1	— 39	— 4	— 36	+ 72	— 156	— 117	— 187	— 121	— 43	— 68	— 68	— 54
INDIA† (Rs.)													
Imports	..	523	508	805	562	780	900	929	847	926	816	788	623
Sea & air-borne	130	452	472	717	539	686	845	881	781	874	797	771	605
Overland	..	71	36	88	23	94	55	48	66	52	19	15	18
Exports	..	378	521	620	705	573	578	666	497	571	450	508	513
Sea & air-borne	142	353	506	597	694	546	546	645	458	536	423	478	477
Overland	..	25	15	23	11	27	32	21	39	35	27	30	36
Balance	+ 12	— 145	+ 13	— 185	+ 143	— 207	— 322	— 263	— 350	— 355	— 366	— 278	— 110
INDOCHINA (Pr.)													
Imports	16	197	362	523	385	678	838	934	809	770	833	748	..
Exports	24	98	128	232	227	285	250	250	217	284	184	191	..
Balance	+ 8	— 99	— 234	— 291	— 158	— 393	— 588	— 684	— 592	— 486	— 649	— 557	..
INDONESIA (Rp.)													
Imports	41	95	136	255	140	312	581	272	607	864	765	906	749
Exports	57	87	246	397	387	411	671	399	689	926	917	727	680
Balance	+ 16	— 8	+ 110	+ 142	+ 247	+ 99	+ 90	+ 127	+ 82	+ 62	+ 152	— 179	— 69
JAPAN ^a (U.S.\$)													
Imports	89	57	81	170	129	143	156	129	147	193	172	177	176
Exports	92	22	68	113	96	127	119	108	126	122	115	108	104
Balance	+ 3	— 35	— 13	— 57	— 33	— 16	— 37	— 21	— 21	— 71	— 57	— 69	— 72
KOREA (South) ('000 mn. Won)													
Imports	..	0.7	0.4	10.2	2.1	16.9	17.1	14.1	17.4	19.9	28.4	..	..
Exports	..	0.6	2.7	4.1	2.3	7.7	9.7	6.3	14.3	8.6	12.0	..	..
Balance	..	— 0.1	+ 2.3	— 6.1	0.2	— 9.2	— 7.4	— 7.8	— 3.1	— 11.3	— 16.4	..	..
MALAYA (M\$)													
Imports	46	149	243	396	425	385	361	390	350	343	332	335	500
Exports	50	147	334	506	590	438	376	385	378	368	337	305	287
Balance	+ 4	— 2	+ 91	+ 110	+ 165	+ 53	+ 15	— 5	+ 28	+ 25	+ 5	— 30	— 13
PAKISTAN† (Rs.)													
Imports	..	124	126	161	155	166	207	189	233	199	212	203	154
Sea-borne	..	99	114	143	139	142	182	163	207	175	193	182	135
Overland	..	25	12	18	16	24	25	26	26	24	19	21	19
Exports	..	87	192	192	316	177	241	304	251	167	116	150	72
Sea-borne	..	85	163	146	301	150	215	272	221	152	110	141	69
Overland	..	2	29	46	15	27	26	32	30	15	6	9	3
Balance	..	— 37	+ 66	+ 31	+ 161	+ 11	+ 34	+ 115	+ 18	— 32	— 96	— 53	— 82
PHILIPPINES (P.)													
Imports ^b	22.1	97.6	59.4	78.8	60.4	93.5	81.1	87.5	87.2	68.6	72.8	66.1	61.4
Exports	19.4	53.0	55.4	68.0	82.5	50.7	60.9	67.4	48.7	66.6	64.5	69.4	61.9
Balance	— 2.7	— 44.6	— 4.0	— 10.8	+ 22.1	— 32.8	— 20.2	— 20.1	— 38.5	— 2.0	— 8.3	+ 3.3	+ 0.5
THAILAND (Baht)													
Imports	11	144	240	309	280	317	446	455	373	509	457	478	427
Exports	17	168	329	373	415	373	392	454	391	331	266	357	271
Balance	+ 6	+ 24	+ 89	+ 64	+ 135	+ 56	— 54	— 1	+ 18	— 178	— 191	— 121	— 156

GENERAL NOTE: Data relate to general trade for all countries excepting China (Taiwan), Indochina and Indonesia. Monthly data are not published for Brunei and Sarawak. Annual figures converted into monthly averages are as follows:—

	1938	1948	1950	1951
Brunei (Mn.M\$)				
Imports	0.24	2.93	4.59	..
Exports	0.55	4.10	17.12	..
Balance	+ 0.31	+ 1.17	+ 12.53	..
Sarawak (Mn.M\$)				
Imports	1.86	8.23	24.11	31.98
Exports	2.18	14.27	31.22	42.36
Balance	+ 0.32	+ 6.04	+ 7.11	+ 10.38

a. Including trade with Korea and Formosa. Post-war imports include merchandise procured from US property funds and goods diverted to the Japanese civilian economy from the occupation force military stocks.

b. Imports valued f.o.b. for Philippines.

EXTERNAL TRADE

4. DIRECTION OF IMPORT TRADE

Monthly averages or calendar months

Millions

	1938	1948	1950	1951	1951		1952						
					I	IV	I	Jan.	Feb.	Mar.	Apr.	May	June
BURMA (K.) from													
China	—	1.4†	1.0	1.2	0.3	0.8	0.2	..	..	..	..	..	..
Hong Kong	0.3†	1.1†	0.5	1.8	0.4	1.8	3.1	..	..	..	..	..	..
India	10.0†	12.4†	19.7	14.7	22.6	11.5	14.7	..	..	..	..	..	..
Indonesia	—	—	0.1	0.4	0.5	0.8	0.1	..	..	..	..	..	..
Japan	1.2†	0.3†	4.7	9.4	15.3	8.0	6.2	..	..	..	..	..	..
Malaya	0.5†	1.7†	1.1	3.7	1.1	2.9	3.1	..	..	..	..	..	..
United Kingdom	3.3†	23.2†	9.8	13.3	10.5	16.0	17.8	..	..	..	..	..	..
United States	0.6†	1.8†	1.3	1.4	0.9	1.7	4.8	..	..	..	..	..	..
CEYLON (Rs.) from													
Burma	2.9	14.3	19.0	19.1	17.9	6.9	19.4	8.0	24.6	25.6	8.9	20.2	22.1
China	0.1	2.0	0.2	0.4	0.4	0.6	0.3	0.3	0.3	0.2	0.3	0.2	0.1
India	4.3	10.5	15.1	15.7	20.8	14.6	17.6	14.9	14.4	23.6	14.3	16.6	20.1
Indonesia	1.4	0.3	0.9	1.2	0.8	2.2	1.9	1.7	3.9	—	—	0.1	0.2
Japan	1.3	1.1	2.6	6.6	6.3	6.7	11.4	9.5	15.6	9.2	8.5	8.2	6.2
Malaya	0.2	0.3	0.7	0.8	0.3	1.8	1.5	0.7	2.2	1.6	0.2	0.4	2.3
Pakistan . . . . .	..	0.9	1.1	2.6	2.3	2.0	2.0	4.6	0.6	1.0	0.8	0.8	0.5
Thailand	0.5	0.7	4.7	1.3	1.8	1.3	4.6	7.4	4.4	2.1	1.8	2.5	0.7
United Kingdom	4.0	14.3	19.2	28.5	23.6	31.2	35.7	39.5	32.4	35.3	39.2	33.1	35.5
United States	0.4	6.3	2.9	6.9	2.8	8.8	8.7	9.5	8.7	8.0	7.5	12.1	25.6
Canada	0.1	0.7	1.7	1.4	0.4	1.3	3.0	8.5	—	0.5	6.3	2.0	6.2
Australia	0.5	10.4	6.7	10.3	9.9	12.8	8.3	7.2	6.7	11.0	12.7	9.0	13.1
HONG KONG (HK \$) from													
N. Borneo	0.2	0.8	1.0	2.5	1.8	2.4	2.4	1.4	2.0	3.8	2.2	3.1	2.2
Burma	0.4	2.9	1.5	0.8	0.6	1.8	2.0	2.8	2.4	0.8	2.8	2.5	1.1
Ceylon	—	0.1	0.2	0.3	0.3	0.2	0.1	0.1	0.2	0.1	0.2	0.2	0.2
China	19.4	35.9	71.4	77.1	78.2	83.5	66.5	74.3	73.3	52.0	61.1	57.7	53.4
India	1.0	4.0	14.0	13.2	20.3	6.1	5.3	4.5	5.6	6.0	6.0	7.4	10.5
Indochina	2.9	2.5	2.5	4.2	2.3	5.2	3.7	3.2	3.2	4.7	3.7	8.2	5.7
Indonesia	3.4	3.4	6.7	7.5	8.4	9.6	3.5	5.4	1.6	3.5	2.6	1.1	1.6
Japan	1.6	6.6	19.2	32.7	61.3	42.1	38.1	37.1	39.8	38.4	34.9	49.7	37.9
Korea (South) . . . . .	..	..	1.9	0.3	0.2	0.3	0.4	0.6	0.6	0.1	0.4	0.9	0.2
Malaya	0.6	7.1	24.9	32.8	71.2	9.5	11.7	9.2	12.2	13.5	11.2	13.4	14.9
Pakistan . . . . .	..	—	7.8	12.0	22.6	7.6	19.7	42.8	9.9	6.5	3.0	3.5	0.3
Philippines	0.2	0.8	1.4	1.1	1.1	1.0	1.1	1.2	1.1	0.9	1.4	1.1	0.5
Thailand	3.0	8.0	15.2	13.0	11.4	15.8	16.5	21.9	11.8	16.0	20.9	25.4	27.0
United Kingdom	4.7	25.1	33.7	51.6	43.7	58.3	44.2	48.8	45.9	38.1	37.2	38.1	25.8
United States	4.6	32.3	54.7	31.1	26.9	28.0	22.2	24.2	25.2	17.1	19.8	21.4	18.3
Canada	0.5	3.0	4.2	7.3	6.2	9.6	8.4	8.4	7.8	9.0	10.2	7.1	5.2
France	0.3	1.9	3.7	10.3	9.4	8.0	3.9	5.8	3.1	2.9	1.8	2.1	7.7
Oceania	1.1	4.7	6.7	7.6	7.9	7.4	3.7	2.2	4.4	4.4	6.6	3.1	3.3
INDIA ^a (Rs.) from													
Burma	18.9	16.0*	6.6	19.5	22.2	17.7	21.8	11.3	13.0	41.0	31.4	25.8	..
Japan	13.0	1.1*	6.2	18.5	12.6	22.1	20.7	27.5	20.0	14.5	19.5	9.4	..
Malaya	3.2	5.8*	11.8	19.0	18.3	18.5	15.7	23.9	14.2	9.0	12.9	14.3	..
Pakistan . . . . .	..	12.5*	34.0	86.4	19.8	97.1	52.4	43.2	63.1	51.0	18.4	..	..
United Kingdom	40.1	113.5*	97.7	119.2	104.5	125.4	151.0	159.9	143.1	150.1	120.2	130.3	..
United States	9.5	86.6*	82.8	167.3	101.3	233.6	373.0	372.0	322.5	424.6	373.7	403.7	..
Canada	0.6	5.9*	8.8	18.5	31.3	13.2	19.9	11.9	17.7	30.2	38.5	27.6	..
Australia	1.7	19.5*	33.2	14.9	18.5	13.5	17.4	14.5	23.6	14.2	11.3	16.5	..
INDOCHINA (Pr.) from													
China	1.2	8.9	9.3	11.5	6.3	14.6	10.4	11.8	7.0	12.4	12.3	14.1	..
Hong Kong	1.2	1.1	1.2	0.7	0.3	0.8	1.8	2.3	0.6	2.6	1.8	1.2	..
India and Pakistan	0.5	2.4	2.6	2.9	2.6	3.6	10.3	18.9	4.5	7.4	4.0	2.8	..
Indonesia	0.7	3.6	9.2	12.4	8.8	19.2	14.7	18.9	11.3	13.8	16.6	14.0	..
Thailand	0.3	5.3	2.1	3.2	1.8	4.8	3.0	2.8	3.3	2.9	3.5	2.4	..
United States	0.8	24.9	20.8	28.0	13.2	35.7	50.3	43.7	54.5	52.7	26.4	35.5	..
France	8.5	123.2	275.0	403.1	309.1	514.4	660.6	736.8	649.9	595.0	693.5	582.0	..
INDONESIA (Rp.) from													
Burma	0.6	2.0	5.6	8.3	4.4	4.9	13.0	0.9	13.0	25.1	39.4	30.3	39.8
China	0.7	2.3	0.7	0.9	0.7	0.7	1.0	0.6	0.8	1.7	1.7	2.4	1.9
Hong Kong	0.5	2.1	6.8	14.0	12.3	14.0	36.7	14.5	33.2	62.4	51.4	83.9	65.0
India	0.9	1.2	7.0	8.5	10.3	5.3	11.1	2.9	3.0	27.3	7.0	21.7	13.9
Japan	6.0	15.6	13.4	47.7	20.3	57.6	102.6	57.6	116.5	133.8	77.0	104.3	82.6
Malaya	3.4	2.6	6.1	12.3	12.2	9.7	12.3	6.6	14.8	15.7	16.8	20.2	12.3
Philippines	0.1	0.1	—	0.1	0.1	0.1	0.5	0.2	0.8	0.6	0.4	0.9	0.2
Thailand	0.2	2.7	3.2	7.4	3.7	11.8	52.2	32.7	78.2	45.6	38.2	39.8	16.7
Netherlands	8.4	18.4	21.9	30.9	16.3	45.8	68.1	31.3	72.2	100.7	75.8	119.6	110.9
United Kingdom	3.0	7.9	9.3	16.5	11.0	22.1	36.6	16.9	31.2	61.5	37.8	57.1	56.0
United States	3.6	21.2	26.3	51.0	22.9	62.1	113.1	47.8	121.2	170.2	138.3	154.6	150.9
Australia	1.1	2.7	0.9	3.3	1.8	4.0	6.2	2.7	4.1	11.8	12.1	19.4	16.8

EXTERNAL TRADE

4. DIRECTION OF IMPORT TRADE—(Cont'd)

Monthly averages or calendar months

Millions

June		1938	1948	1950	1951	1951		1952						
						I	IV	I	Jan.	Feb.	Mar.	Apr.	May	Jun.
	JAPAN ^b (US \$) from													
	China	22.9	2.1	6.5	6.7	10.6	4.2	8.6	3.9	5.6	16.2	6.9	8.5	4.9
	Hong Kong . . . . .	..	0.3	—	0.5	0.3	0.6	0.4	0.3	0.4	0.4	0.5	0.3	0.4
	India	4.1	2.3	1.5	5.4	3.5	2.5	3.1	2.9	2.7	3.8	4.5	4.2	5.6
	Indonesia	2.1	1.0	1.1	5.2	7.2	2.3	1.4	2.0	0.8	1.3	1.4	1.4	1.7
	Korea	16.5	0.4	1.3	0.5	0.5	0.7	0.7	0.4	0.7	0.9	1.2	3.2	2.4
	Malaya	2.4	0.9	3.3	5.4	4.9	5.1	4.5	3.7	3.6	6.2	5.5	3.5	7.4
	Philippines	0.8	0.8	1.9	4.4	3.9	4.4	3.1	2.6	1.9	4.7	4.5	3.5	4.5
	United Kingdom	1.5	0.4	0.5	3.0	1.3	3.1	3.5	2.4	3.5	4.7	1.9	4.1	4.1
	United States	21.7	36.7	35.6	62.9	50.2	57.8	59.9	57.7	55.2	66.7	72.9	79.1	87.2
	Australia	2.0	0.7	6.4	12.7	13.4	8.6	12.3	13.9	10.4	12.6	11.5	8.9	7.7
	Canada	2.2	0.3	1.3	7.7	4.2	8.4	7.0	8.1	4.4	8.5	7.0	8.1	10.7
	MALAYA (MS) from													
	N. Borneo	0.2	1.3	4.3	4.7	6.2	4.3	3.3	4.9	2.5	2.6	3.1	1.8	2.1
	Brunei	0.1	0.1	0.4	0.6	0.8	0.4	0.4	0.6	0.3	0.3	0.3	0.3	0.2
	Sarawak	2.0	6.4	13.6	18.1	19.8	17.7	14.7	16.4	11.9	15.7	14.2	10.1	14.8
	Burma	2.1	7.7	3.4	6.7	8.1	7.7	6.4	8.4	6.8	4.1	4.7	6.5	7.8
	Ceylon	0.1	0.3	0.3	0.4	0.4	0.2	0.3	0.4	0.3	0.2	0.4	0.8	0.6
	China	2.0	9.5	10.3	12.5	12.8	11.0	14.9	13.7	17.6	13.4	16.8	20.9	18.8
	Hong Kong	0.7	3.8	7.5	10.7	12.4	10.2	9.4	9.7	7.6	11.0	8.6	8.9	7.2
	India	1.4	2.9	16.3	17.2	30.2	10.0	8.0	7.9	6.7	9.3	6.8	8.0	6.5
	Indochina	1.2	2.5	1.5	3.4	1.8	6.4	3.9	2.5	3.2	6.1	3.9	2.4	2.7
	Indonesia	12.7	29.4	64.2	119.0	144.3	105.2	80.4	86.5	87.1	68.1	73.2	62.2	66.9
	Japan	1.0	1.1	7.8	20.3	18.5	19.3	27.9	30.0	23.6	30.0	28.9	28.6	23.3
	Thailand	7.3	10.7	26.5	31.9	43.4	31.9	25.6	32.9	25.3	18.4	23.3	26.4	25.3
	United Kingdom	8.5	28.7	42.2	65.7	55.0	78.5	82.5	89.2	79.1	79.2	76.8	75.0	58.7
	United States	1.4	17.4	7.4	18.2	10.7	19.7	21.2	18.2	19.9	25.6	17.0	18.4	13.4
	Canada	0.4	1.9	1.4	2.8	1.5	3.8	4.6	2.9	5.9	4.9	2.7	3.8	4.4
	Oceania	1.2	7.9	9.5	12.2	11.1	13.1	15.3	18.0	12.5	15.4	8.2	16.2	17.2
	PAKISTAN ^c (MS) from													
	Burma . . . . .	..	0.7	0.3	0.3	0.5	0.4	0.6	1.2	0.3	0.4	0.4	0.9	..
	Ceylon . . . . .	..	2.4	2.3	2.1	2.0	3.6	3.2	3.8	2.4	3.5	2.4	1.9	..
	China . . . . .	..	5.7	5.1	4.7	5.6	2.3	1.2	1.5	2.0	0.2	0.5	0.3	..
	India . . . . .	..	37.4	11.5	7.0	6.7	9.0	12.3	13.9	11.0	12.1	10.8	13.7	..
	Japan . . . . .	..	0.8	14.4	29.9	21.0	29.2	77.9	37.4	50.1	146.1	47.0	43.8	..
	Malaya . . . . .	..	1.8	1.2	2.9	2.3	4.1	2.7	2.2	3.6	2.3	1.7	1.9	..
	United Kingdom . . . . .	..	22.5	25.0	30.0	39.1	46.7	33.2	34.8	36.2	28.6	52.4	46.1	..
	United States . . . . .	..	6.6	8.7	8.8	11.1	8.5	13.2	12.5	14.7	12.2	11.0	11.1	..
	PHILIPPINES (P.) from													
	China . . . . .	..	3.8	—	—	—	0.2	—	—	—	0.1	0.1	—	—
	Hong Kong . . . . .	..	0.1	1.5	1.4	1.5	0.7	0.8	0.7	1.2	0.4	0.6	1.0	0.9
	India . . . . .	..	1.1	0.4	0.7	0.4	0.7	0.5	0.7	0.4	0.2	0.4	0.1	0.3
	Indonesia . . . . .	..	2.5	0.7	1.8	1.5	1.0	3.4	2.6	4.4	3.1	1.5	0.9	1.9
	Japan . . . . .	..	0.3	2.4	5.5	3.3	1.4	3.1	2.8	2.4	4.2	4.3	2.6	3.9
	Thailand . . . . .	..	0.1	0.2	2.4	1.5	0.4	—	0.1	—	—	—	—	—
	United Kingdom . . . . .	..	0.9	0.9	1.1	1.1	0.6	1.2	1.2	1.1	1.3	0.8	0.8	0.7
	United States . . . . .	..	78.3	42.5	56.9	42.9	33.9	59.8	66.9	66.5	46.0	56.8	54.0	43.2
	THAILAND ^d (Baht) from													
	Burma . . . . .	..	0.4	..	..	..	..	..	..	..	..	..	..	..
	China . . . . .	..	1.4	11.1	..	..	..	..	..	..	..	..	..	..
	Hong Kong . . . . .	..	0.1	36.3	..	..	..	..	..	..	..	..	..	..
	India . . . . .	..	1.3	2.9	..	..	..	..	..	..	..	..	..	..
	Indochina . . . . .	..	0.1	2.2	..	..	..	..	..	..	..	..	..	..
	Indonesia . . . . .	..	0.8	1.2	..	..	..	..	..	..	..	..	..	..
	Japan . . . . .	..	1.6	3.4	..	..	..	..	..	..	..	..	..	..
	Malaya . . . . .	..	1.0	47.5	..	..	..	..	..	..	..	..	..	..
	Philippines . . . . .	..	—	1.1	..	..	..	..	..	..	..	..	..	..
	United Kingdom . . . . .	..	6.6	10.0	..	..	..	..	..	..	..	..	..	..
	United States . . . . .	..	1.1	13.0	..	..	..	..	..	..	..	..	..	..

a. Overland imports from Pakistan in 1948 excluded.

c. Excluding overland trade. Data beginning fourth quarter 1951 exclude government trade.

b. Imports from India include Burma and Pakistan in 1938 and Pakistan in 1948.

d. Prewar data relate to year ending March 1940.

EXTERNAL TRADE

5. DIRECTION OF EXPORT TRADE

Monthly averages or calendar months

Millions

FROM	1938	1948	1950	1951	1951		1952						
					I	IV	I	Jan.	Feb.	Mar.	Apr.	May	Jun.
BURMA (K.) to													
Ceylon	2.2†	11.6†	18.9	17.6	19.4	6.6	10.9	..	..	..	..	..	..
China	0.2†	3.7†	1.9	0.7	2.0	0.2	—	..	..	..	..	..	..
Hong Kong	0.3†	1.6†	1.3	0.9	0.2	2.5	2.0	..	..	..	..	..	..
India	22.0†	25.2†	11.4	19.4	22.5	18.0	6.5	..	..	..	..	..	..
Indonesia	0.6†	2.7†	8.6	9.8	8.3	2.9	4.4	..	..	..	..	..	..
Japan	0.8†	0.1†	8.1	11.5	11.2	7.5	3.4	..	..	..	..	..	..
Malaya	2.8†	10.1†	3.5	6.9	5.7	6.1	3.9	..	..	..	..	..	..
Pakistan	..	..	0.5	0.6	0.2	1.0	0.8	..	..	..	..	..	..
Philippines	—	0.2†	—	—	—	—	—	..	..	..	..	..	..
United Kingdom	5.7†	5.6†	2.3	5.2	4.4	4.0	5.9	..	..	..	..	..	..
United States	0.1†	0.6†	0.2	0.4	0.5	0.3	0.5	..	..	..	..	..	..
CEYLON (Rs.) to													
India	0.7	1.7	2.4	3.9	4.1	5.2	3.8	2.9	5.5	3.2	1.3	3.4	4.3
Japan	0.1	0.1	0.1	0.6	0.4	0.7	0.6	0.5	0.6	0.8	0.7	1.0	0.9
Pakistan	..	1.5	3.2	2.8	1.6	5.5	3.8	6.1	3.4	1.8	2.9	4.0	1.7
United Kingdom	11.8	25.1	30.5	48.8	43.0	51.2	37.2	49.4	33.5	28.9	47.9	41.0	31.3
United States	2.8	13.8	27.7	16.5	25.8	12.4	16.6	22.3	15.0	12.5	10.1	12.9	10.9
Canada	0.8	3.3	7.8	6.1	9.2	4.5	6.6	8.4	6.6	4.8	8.2	2.4	4.7
Australia	0.9	7.0	9.5	11.0	9.0	8.1	6.7	11.9	5.3	3.1	7.5	8.5	9.8
New Zealand	0.5	1.8	3.2	3.2	3.2	1.0	1.4	0.5	0.2	3.5	0.5	0.3	3.9
HONG KONG (HK\$) to													
N. Borneo	0.1	0.6	1.2	1.3	1.9	1.0	1.6	1.5	1.7	1.6	1.4	1.1	1.2
Burma	0.3	1.0	2.4	3.4	0.9	2.7	4.1	2.1	4.6	5.5	4.0	8.8	9.5
Ceylon	0.1	0.6	0.8	0.7	1.0	0.9	0.6	0.9	0.6	0.3	0.2	0.4	0.4
China	19.2	23.4	121.6	145.3	231.9	76.9	37.4	39.8	30.6	41.8	49.9	47.8	60.7
India	0.4	4.0	2.0	2.2	2.6	1.6	0.6	0.6	0.7	0.6	0.5	0.9	1.4
Indochina	1.9	1.6	1.9	2.8	1.7	3.6	2.6	2.0	2.9	2.8	3.1	3.4	2.4
Indonesia	1.2	5.7	10.2	20.4	21.3	16.1	23.2	13.9	22.6	33.1	26.8	38.8	41.9
Japan	0.3	4.1	10.1	16.0	28.2	7.7	8.6	6.7	10.0	9.2	7.2	6.5	6.6
Korea (South)	..	..	1.9	1.8	1.0	2.9	1.1	1.1	1.8	0.4	2.5	4.8	1.5
Malaya	3.1	17.1	45.2	61.7	98.1	44.4	43.1	40.5	43.6	45.1	35.8	33.0	28.4
Pakistan	..	—	10.9	15.6	20.2	14.6	11.4	16.1	12.1	6.0	0.6	1.2	2.8
Philippines	0.8	11.4	6.9	5.8	6.3	7.0	2.5	1.6	3.5	2.5	3.2	4.9	4.1
Thailand	1.3	11.7	8.2	7.5	8.1	10.3	18.7	15.5	14.3	26.2	27.5	37.1	20.5
United Kingdom	1.8	6.3	14.0	17.9	18.6	10.6	10.5	11.0	11.1	9.5	6.2	4.1	3.3
United States	4.3	12.7	25.7	13.5	16.7	21.1	19.8	14.9	22.2	22.4	12.1	9.4	4.7
Canada	0.2	0.6	0.8	1.4	1.7	1.1	1.5	0.6	2.3	1.5	1.6	1.5	1.0
Oceania	0.3	1.7	3.6	6.7	4.2	5.6	2.4	1.9	1.1	4.1	1.2	1.7	0.9
INDIA ^a (Rs.) to													
Burma	8.4	10.0*	18.8	15.5	14.5	17.2	17.3	19.1	15.1	17.7	17.6	30.2	..
Ceylon	4.2	9.5*	14.0	14.2	19.9	12.4	17.6	13.0	14.5	25.4	10.5	14.3	..
China	1.3	5.6*	2.0	5.0	5.7	5.0	8.2	4.1	19.3	1.2	—	—	..
Pakistan	..	40.6*	23.8	27.0	14.8	40.6	57.1	49.1	58.8	63.5	40.9	37.6	..
United Kingdom	46.0	78.3*	95.7	156.6	129.7	162.5	124.8	163.8	104.4	106.3	74.6	78.5	..
United States	11.2	59.7*	80.5	108.4	116.2	96.0	98.8	100.5	59.7	136.2	95.4	86.1	..
Canada	1.7	6.9*	10.5	14.3	15.9	7.8	13.0	12.9	5.9	20.4	9.5	8.4	..
Australia	2.5	17.2*	23.3	37.4	27.6	37.6	31.9	57.2	21.9	16.5	32.6	27.2	..
INDOCHINA (Pr.) to													
China	0.6	2.1	0.4	1.0	3.6	—	0.1	0.1	0.4	—	—	—	..
Hong Kong	2.3	11.2	15.5	21.3	9.8	31.9	32.2	36.9	29.5	30.4	13.6	37.1	..
Malaya	2.5	9.4	11.6	25.0	13.4	43.8	26.8	16.7	20.4	43.4	25.2	9.6	..
Thailand	0.1	3.7	3.1	3.7	1.7	3.2	5.1	2.5	6.7	6.0	5.6	7.4	..
United States	2.1	2.2	25.6	25.0	34.6	29.0	17.0	21.5	17.2	12.4	6.7	11.4	..
France	11.4	42.6	49.9	87.9	107.9	108.4	89.1	124.9	93.6	48.9	43.9	24.8	..
INDONESIA (Rp.) to													
Burma	—	—	—	—	—	—	0.1	—	—	0.2	—	—	0.2
Hong Kong	1.1	1.6	1.2	1.6	1.6	2.3	2.7	0.6	2.7	4.7	1.5	1.5	0.8
India	0.4	0.1	0.8	1.2	1.1	1.0	0.8	—	0.1	2.2	0.1	0.1	0.8
Japan	1.8	2.1	3.2	12.7	20.3	3.3	5.9	2.6	6.3	8.8	11.7	13.6	8.1
Malaya	10.7	16.6	83.2	131.8	102.3	86.9	162.5	129.2	129.4	228.9	231.7	130.0	190.2
Philippines	0.5	0.8	1.4	2.1	0.9	2.5	2.4	0.2	0.1	7.1	2.3	5.9	3.4
Thailand	0.2	0.3	1.0	1.5	1.1	1.9	3.6	1.1	3.9	5.8	4.1	3.6	4.8
Netherlands	11.5	31.0	55.4	82.7	61.2	84.3	120.9	71.2	136.9	154.6	163.9	147.1	184.2
United Kingdom	3.1	1.7	8.3	24.7	7.8	12.6	18.5	22.7	17.1	15.8	31.4	19.6	17.3
United States	8.2	15.2	37.2	65.3	34.7	40.0	154.5	86.3	152.8	224.2	175.7	163.4	126.0
Australia	2.4	0.8	4.2	9.4	5.7	9.2	12.8	12.1	8.7	17.5	9.9	19.4	20.3

5. DIRECTION OF EXPORT TRADE—(Cont'd.)

EXTERNAL TRADE

Monthly averages or calendar months

Millions

FROM	1938	1948	1950	1951	1951		1952						
					I	IV	I	Jan.	Feb.	Mar.	Apr.	May	June
JAPAN ^b (US\$) to													
China	35.0	0.3	4.8	4.7	6.4	3.6	4.1	2.6	5.2	4.3	6.0	5.8	4.7
Hong Kong . . . . .	..	..	5.3	5.1	6.4	8.8	6.8	5.2	7.6	7.4	7.2	7.8	6.2
India	4.5	0.7	1.7	4.3	2.2	5.3	4.3	3.4	5.9	3.5	2.3	3.9	4.0
Indonesia	2.5	4.7	3.9	10.7	8.3	8.7	6.4	7.4	8.3	3.5	2.7	3.2	4.5
Korea	21.6	1.5	1.5	1.2	0.7	1.6	1.7	1.4	1.6	2.0	1.6	2.7	10.4
Malaya	0.5	0.5	1.5	5.7	4.5	7.5	7.9	6.2	8.9	8.5	6.4	6.7	4.3
Philippines	0.8	0.3	1.5	3.1	1.5	2.3	1.4	1.2	1.3	1.7	1.8	2.0	2.1
United Kingdom	3.2	1.4	2.2	4.5	2.7	5.8	7.2	6.4	8.9	6.4	10.7	11.9	9.1
United States	10.1	5.5	14.9	15.4	15.8	16.3	14.9	11.8	17.2	15.8	14.0	14.3	17.9
MALAYA (M\$) to													
N. Borneo	0.2	1.2	2.6	3.5	3.1	3.6	3.8	5.4	1.9	4.0	3.0	3.9	3.1
Brunei	0.1	0.2	0.5	0.6	0.6	0.6	0.9	1.1	0.7	0.9	1.0	0.8	0.8
Sarawak	0.7	2.6	4.9	5.8	4.8	6.1	5.7	5.5	6.0	5.7	6.5	5.9	3.1
Burma	0.3	1.0	1.1	4.1	2.3	4.0	3.6	2.1	3.8	5.1	3.5	3.5	3.6
Ceylon	0.2	0.8	1.9	2.0	2.1	3.4	0.9	1.2	1.0	0.5	0.4	0.6	0.8
China	0.3	1.3	10.4	8.6	27.9	—	1.1	0.5	2.1	0.7	0.2	0.2	0.4
Hong Kong	0.6	3.4	16.9	17.9	44.4	5.0	2.9	2.4	3.8	2.6	2.9	4.2	5.0
India	1.8	5.3	6.3	9.7	9.3	10.7	8.2	14.3	7.0	5.9	5.1	4.8	7.9
Indochina	0.1	0.7	1.0	1.5	1.4	1.5	2.0	3.6	2.2	0.3	1.1	1.5	1.2
Indonesia	3.4	16.1	21.4	40.6	45.6	35.4	33.3	34.5	36.4	35.2	33.8	43.3	29.3
Japan	4.5	1.6	9.6	13.1	15.9	14.2	14.0	5.5	17.3	19.2	11.0	15.0	11.2
Korea . . . . .	..	—	0.1	0.6	—	1.3	0.2	—	0.4	—	0.1	—	0.1
Pakistan . . . . .	..	0.6	1.0	2.1	1.1	3.6	2.1	3.8	0.9	1.5	0.6	0.6	1.5
Philippines	0.1	0.5	1.3	1.4	1.6	0.8	1.9	1.7	2.1	2.0	2.7	1.5	1.9
Thailand	1.3	4.1	6.0	8.0	6.8	9.9	13.5	12.5	11.9	16.2	14.2	12.9	10.1
United Kingdom	6.8	20.0	45.6	101.3	89.9	108.1	81.0	89.0	74.0	80.7	71.9	64.2	54.0
United States	14.4	38.2	87.3	99.5	117.6	75.9	74.6	79.0	71.9	72.8	73.3	37.8	42.9
Canada	1.5	3.7	8.2	12.8	16.6	9.8	5.7	6.4	4.3	6.5	4.4	7.9	4.4
Oceania	2.5	5.1	14.1	28.3	25.5	20.8	13.0	11.3	18.0	9.6	12.3	11.5	20.0
PAKISTAN ^c (Rs.) to													
Burma . . . . .	..	0.3†	0.1	1.0	0.6	0.1	0.3	0.2	0.6	0.1	0.1	0.2	..
Ceylon . . . . .	..	1.2†	0.8	1.5	2.5	1.4	0.2	0.2	—	0.4	0.1	0.3	..
China . . . . .	..	2.7†	2.6	12.5	20.8	13.7	14.9	6.4	32.1	6.1	41.3	71.6	..
Hong Kong . . . . .	..	2.1†	9.6	9.4	22.3	11.1	5.7	13.0	—	4.0	0.9	0.7	..
India . . . . .	..	19.1†	2.9	6.4	0.7	4.1	0.2	0.5	0.1	0.1	0.1	0.1	..
Japan . . . . .	..	1.0†	12.1	21.2	59.8	8.7	53.4	84.7	44.6	30.9	11.5	8.6	..
Malaya . . . . .	..	0.1†	0.1	0.1	0.1	0.2	0.1	0.1	—	—	0.1	—	..
United Kingdom . . . . .	..	12.3†	36.2	26.4	46.5	19.5	43.1	45.3	56.8	27.2	11.4	5.7	..
United States . . . . .	..	10.9†	10.1	8.8	16.6	1.8	5.4	2.6	5.9	7.8	4.4	10.2	..
PHILIPPINES (P) to													
China . . . . .	..	0.3	0.2	0.1	0.1	0.1	—	—	—	—	0.1	—	0.7
Hong Kong . . . . .	..	0.5	0.4	0.3	0.4	0.1	0.3	0.2	0.3	0.3	0.3	0.3	0.2
India . . . . .	..	0.3	0.1	0.2	0.1	0.1	0.2	0.4	0.2	0.1	—	0.2	0.1
Indonesia . . . . .	..	0.9	—	0.2	—	0.8	0.1	0.2	0.1	0.1	0.1	—	—
Japan . . . . .	..	2.6	3.7	5.0	5.0	1.7	5.0	4.4	3.6	7.0	5.8	5.8	7.3
Korea . . . . .	..	0.3	0.4	—	—	—	—	—	—	—	0.4	—	0.1
Malaya . . . . .	..	0.1	—	0.1	—	0.1	0.3	0.4	0.2	0.2	0.1	0.2	0.1
Thailand . . . . .	..	0.1	0.1	—	—	—	0.1	0.1	—	0.2	0.1	0.3	0.1
United Kingdom . . . . .	..	0.6	0.9	2.1	1.9	0.7	1.7	1.4	1.7	1.9	1.4	0.5	0.7
United States . . . . .	..	34.8	40.9	43.0	57.8	15.6	39.6	42.1	29.4	47.2	47.1	55.2	44.7
THAILAND ^d (Baht) to													
N. Borneo	—	2.1	3.3	3.2	4.5	3.3	1.9	1.3	4.4	—	6.6	5.7	0.7
Ceylon	0.5	1.4	3.8	—	—	—	3.8	3.1	8.1	0.3	6.3	0.2	..
Hong Kong	2.0	16.3	21.0	11.2	7.4	14.4	19.2	13.2	11.1	33.4	26.3	30.7	23.2
India	2.0	16.7	8.8	20.8	26.9	20.1	12.4	8.5	5.2	23.4	15.9	57.4	26.4
Indonesia	0.2	8.0	9.4	18.6	20.0	25.0	37.0	83.6	26.0	1.5	0.7	1.8	22.6
Japan	1.0	0.5	30.8	35.9	45.4	26.1	55.5	63.4	66.8	36.2	5.0	42.3	25.2
Korea	—	1.9	—	1.9	—	6.4	—	—	—	—	—	—	15.8
Malaya	10.7	39.6	51.2	50.6	70.2	51.1	32.5	26.9	37.8	33.0	23.8	40.4	43.3
Philippines	0.2	5.5	0.7	11.1	36.2	19.8	—	0.3	—	—	—	—	—
United Kingdom	0.4	4.5	3.0	—	—	—	—	—	—	—	—	—	—
United States	0.1	36.8	56.1	114.4	106.6	118.6	130.8	163.5	115.3	113.5	93.8	86.2	45.1

a. Overland exports to Pakistan in 1948 excluded.

b. Exports to India include Burma and Pakistan in 1938 and Pakistan in 1948.

c. Excluding overland trade. Data beginning fourth quarter 1951 exclude government trade.

d. Prewar data relate to year ending March, 1940. Data from 1950 onwards relate to exports of Rice and Rubber sheets only which account for 65% of total exports in 1948 and 1949.

EXTERNAL TRADE

6. VALUE OF IMPORTS BY PRINCIPAL COMMODITIES AND/OR COMMODITY GROUPS

Monthly averages or calendar months

Millions

	1938	1948	1950	1951	1951		1952						
					I	IV	I	Jan.	Feb.	Mar.	Apr.	May	June
BURMA (K.)													
Cotton yarn and fabrics (incl. thread)	3.4†	9.2†	10.6†	13.3	24.2	6.7	7.4	5.1	7.2	9.8			
Base metals and manufactures thereof	2.1†	5.9†	1.9†	3.1	2.3	3.7	4.1	3.6	3.9	4.9			
Machinery and transport equipment	1.8†	9.3†	4.3†	3.9	2.8	4.9	6.3	6.8	5.2	6.8			
CEYLON (Rs.)													
Food and drink	8.7	42.5	48.9	57.0	51.7	50.3	66.4	58.7	71.2	69.1	58.3	51.7	83.0
Raw materials and articles mainly unmanufactured	2.8	8.8	9.9	13.5	12.3	15.1	16.2	16.1	19.2	13.4	12.5	6.6	14.3
Articles wholly or mainly manufactured	7.8	29.9	37.7	58.2	51.9	60.6	66.7	74.6	60.0	65.3	68.2	69.0	71.1
Cotton yarn and manufactures	1.4	10.3	10.5	11.8	15.2	9.2	11.6	12.2	10.0	12.7	12.4	12.7	10.6
Machinery and vehicles	1.0	5.2	5.7	11.0	7.5	12.7	64.8	16.6	14.0	17.7	17.4	14.7	18.4
Base metals and manufactures thereof	0.9	2.6	3.7	6.1	5.6	6.8	6.6	8.3	5.7	5.6	6.5	5.9	6.9
Electrical goods and apparatus	0.3	0.9	1.4	2.3	1.3	2.5	2.0	2.4	1.8	1.7	1.8	1.3	1.7
INDIA (Rs.)													
Food and drink	14.9	73.7	102.6	175.8	118.2	226.2	257.4	246.0	177.4	348.7	282.3	271.0	
Raw materials and articles mainly unmanufactured	30.5	88.3	148.7	186.9	162.7	185.1	257.9	262.5	298.7	212.5	249.4	231.4	
Cotton, raw and waste	9.2	38.8	72.7	94.3	85.5	76.7	163.3	147.1	202.6	140.3	162.7	150.5	
Mineral oils	13.6 ^c	26.7	45.7	53.2	34.6	63.7	57.7	71.7	59.2	42.1	64.0	65.7 ^c	
Articles wholly or mainly manufactured	78.0	224.5	203.8	270.7	251.0	269.7	300.2	312.6	291.6	296.4	248.1	261.1	
Machinery and vehicles	22.1	89.4	94.9	104.1	90.7	114.6	131.7	143.4	122.7	128.9	97.4	112.7	
Implements and instruments	4.9 ^d	7.7	6.4	10.5	12.0	9.6	11.0	12.3	9.5	11.1	9.4	15.1 ^d	
Electrical goods and apparatus	2.8	8.0	8.5	7.6	6.6	9.0	10.5	9.0	9.9	12.7	9.4	10.5	
Base metals and manufactures thereof	8.9	26.4	40.0	33.2	33.0	33.7	42.1	41.2	42.6	42.3	42.2	39.9	
INDOCHINA (Pr.)													
Live animals and food	1.0	15.6	41.4	83.4	36.4	75.2	87.4	97.8	104.9	59.7	60.0	71.1	
Textiles and apparel, incl. yarn and thread	4.4	42.5	99.7	167.9	113.4	153.4	196.9	231.1	179.6	180.1	179.2	162.9	
Machinery and vehicles (incl. electric machinery and fittings) and base metals and manufactures thereof	3.3	56.8	76.1	128.0	91.0	157.7	174.5	164.0	187.7	171.7	194.9	181.0	
INDONESIA^a (Rp.)													
Food	7.3	9.5	18.3	27.0	12.9	33.9	107.7	49.1	120.9	153.2	270.8	208.5	
Textiles	10.3	23.5	36.0	61.7	44.9	52.7	89.9	45.8	98.1	125.9	75.6	99.1	
Base metals (incl. ores) and manufactures thereof	4.9	4.2	4.6	12.1	5.4	25.2	18.7	9.2	19.5	27.4	28.0	42.6	
Machinery and appliances (incl. electrical material)	5.1	6.8	7.2	8.6	4.8	12.5	18.6	7.5	20.4	27.8	29.1	57.3	
Transport equipment	3.0	3.7	1.1	6.6	2.8	9.4	13.9	8.0	21.1	12.6	8.8	20.8	
JAPAN (U.S.\$)													
Food . . . . .	..	26.7 ^f	28.0	46.5	39.5	37.9	42.2	28.2	30.8	67.6	53.7	55.1	55.7
Crude materials (inedible) other than fuels . . . . .	..	..	..	108.2	121.3	68.6	80.3	72.0	82.5	86.4	76.9	82.3	77.2
Mineral fuels, lubricants and related materials . . . . .	..	..	..	13.9	7.5	16.1	18.0	16.1	18.4	19.4	22.8	21.7	24.6
Chemicals . . . . .	..	3.9	4.8	3.1	2.3	3.6	3.2	2.9	3.0	3.7	4.0	3.2	4.2
Manufactured goods	5.4	2.7	7.8	4.4	4.5	3.4	5.2	4.0	3.1	2.7
Machinery and transport equipment	..	—	0.6	5.1	2.1	7.3	6.4	3.8	6.8	8.7	6.1	7.7	8.3

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EXTERNAL TRADE

6. VALUE OF IMPORTS BY PRINCIPAL COMMODITIES AND/OR COMMODITY GROUPS—(Cont'd)
Monthly averages or calendar months *Millions*

	1938	1948	1950	1951	1951		1952							
					I	IV	I	Jan.	Feb.	Mar.	Apr.	May	June	
MALAYA (MS)														
Food	11.9	48.2	57.8	82.0	77.9	87.0	85.0	91.3	83.7	80.2	83.6	94.6	89.0	
Raw materials and articles mainly unmanufactured	11.2	25.2	67.8	124.0	163.6	103.7	73.5	88.8	77.7	54.5	63.0	47.4	45.5	
Articles wholly or mainly manufactured	17.6	69.1	107.0	175.8	170.0	178.5	186.3	191.7	174.4	192.5	171.0	176.8	153.8	
Cotton yarn and manufactures	2.2	17.9	22.9	30.0	42.1	20.3	20.1	22.0	17.6	20.6	17.9	15.7	10.4	
Machinery and vehicles	3.1	9.9	12.1	22.9	17.7	29.4	35.0	35.3	36.3	33.2	27.9	33.3	26.9	
Base metals and manufactures thereof	1.6	4.7	7.1	15.0	12.4	14.8	15.7	16.0	13.5	17.2	14.2	16.0	12.2	
Electrical goods and apparatus	0.5	2.4	3.5	5.2	3.9	6.8	7.0	8.3	6.5	6.3	5.6	6.0	5.3	
PAKISTAN (Rs.)														
Cotton piecegoods . . . . .	..	22.4†	22.7	27.5	24.9	24.6	35.2	..	..	..	34.1	31.7	
Cotton twist and yarn . . . . .	..	9.4†	12.5	18.0	15.7	19.3	24.4	..	..	..	18.2	33.2	
Machinery and vehicles . . . . .	..	8.6†	13.3	17.2	15.1	18.3	25.4	..	..	..	29.4	22.5	
PHILIPPINES (P.)														
Grains and preparations	1.3 ^e	7.0	4.2	7.5	7.0	6.4 ^g	5.4							
Cotton and manufactures	3.6	11.4	6.2	12.2	5.5	18.5 ^g	10.9							
Rayon and other synthetic textiles	0.4	8.8	2.7	2.3	2.1	1.7 ^g	4.9							
Mineral oils (petroleum products)	0.9	5.7	5.8	6.0	4.4	6.4 ^g	6.7							
Machinery and vehicles (incl. spare parts)	2.7	8.9	4.4	7.0	6.4	6.8 ^g	12.0							
Iron and steel manufactures	1.8	4.7	4.4	6.0	3.9	6.3 ^g	3.0							
Electrical machinery and appliances	0.6	2.9	2.2	1.8	1.4	2.2 ^g	2.5							
THAILAND ^b (Baht)														
Cotton fabrics and manufactures	2.1†	25.0	32.3	27.5			40.8	51.5	41.9	28.9	35.3	30.9		
Metal manufactures and machinery	2.0†	13.8												
Gunny bags	0.4†	8.2	10.6	23.3			9.9	15.7	3.1	10.8	36.1	39.2		

a. Figures under column 1938 are for 1939. From 1948 onwards, textiles comprise cotton yarn and cotton piecegoods.
 b. From 1950, Port of Bangkok only.

c. Including vegetable and animal oils.
 d. Including cutlery and hardware.
 e. 1937.

f. Including drink
 g. July—December.

EXTERNAL TRADE

7. VALUE OF EXPORTS BY PRINCIPAL COMMODITIES AND/OR COMMODITY GROUPS

Monthly averages or calendar months

Millions

	1938	1948	1950	1951	1951		1952						
					I	IV	I	Jan.	Feb.	Mar.	Apr.	May	June
BURMA (K.)													
Rice and products	18.2†	48.7†	48.0†	60.2	61.9	39.4	23.3	37.4	29.1	3.4			
Raw rubber	0.5†	0.5†	0.7†	2.2	3.4	1.3	2.0	2.4	3.0	0.6			
Teak	2.5†	4.6†	1.0†	4.4	3.1	4.8	3.7	2.4	3.9	4.8			
Metal and ores	4.8†	1.8†	1.1†	2.9	1.9	1.7	3.8	0.6	8.4	2.2			
CEYLON (Rs.)													
Tea	14.4	49.2	63.0	66.7	62.6	58.9	58.8	73.5	55.5	47.3	68.0	67.3	70.3
Coconut and products	2.3	12.8	21.0	26.9	27.2	26.5	21.7	19.0	25.8	20.5	26.0	20.1	13.5
Rubber	3.8	12.0	33.8	48.5	72.0	47.7	46.6	66.1	43.2	30.5	26.7	32.9	29.9
INDIA (Rs.)													
Food and drink	30.6	58.9	88.2	119.6	130.7	138.9	118.7	138.7	111.3	106.2	50.7	68.5	
Tea	19.6	46.5	58.4	78.7	79.3	105.0	73.3	92.1	74.8	53.1	24.3	31.6	
Spices	0.7	4.0	17.6	24.9	36.3	16.7	29.0	28.0	23.0	36.1	11.4	11.6	
Raw materials and articles mainly unmanufactured	59.5	90.3	88.5	127.7	172.2	82.4	100.6	94.6	81.5	125.7	114.8	130.0	
Cotton raw and waste	19.9	18.6	14.9	21.4	22.1	5.2	5.9	9.0	4.7	4.1	14.3	31.7	
Hides and skin raw or undressed	3.0	5.0	7.3	8.3	10.2	5.4	5.5	5.8	4.6	6.0	6.2	4.4	
Vegetable oil other than aromatic	0.7	10.9	9.3	25.4	49.4	10.1	16.6	13.4	14.0	22.2	27.0	31.2	
Articles wholly or mainly manufactured	40.2	192.3	243.8	347.6	351.1	305.7	294.2	374.9	238.4	269.2	230.8	252.9	
Cotton yarns and manufactures	6.3	30.8	98.0	78.4	174.2	44.8	52.3	67.2	48.1	41.7	35.5	53.4	
Jute yarns and manufactures	21.8	126.3	99.4	200.3	91.8	209.5	191.7	253.4	149.0	172.7	162.4	149.9	
Hides and skins tanned or dressed and leather	4.4	9.9	19.0	27.8	41.5	18.8	15.7	18.7	13.4	15.1	5.1	13.0	
INDOCHINA (Pr.)													
Food	13.4	52.2	56.2	110.0	77.1	121.9	111.2	77.5	63.2	192.9	109.7	123.0	
Rice	8.2	37.7	25.1	73.9	63.9	87.2	86.7	42.7	43.7	173.4	95.2	110.4	
Rubber	4.2	25.8	64.5	102.7	124.5	110.0	96.9	141.2	107.4	42.2	37.7	32.3	
Mineral products	1.2	2.6	3.7	6.1	3.5	5.8	3.7	6.8	1.3	3.1	10.1	2.3	
INDONESIA (Rp.)													
Tea	4.7	1.8	8.5	11.6	10.7	11.9	19.2	8.0	18.2	31.3	20.9	24.8	23.2
Copra	3.2	13.1	18.2	40.7	32.7	38.0	46.9	29.0	50.7	61.0	54.5	49.6	61.6
Rubber	13.0	21.3	107.0	206.9	262.1	196.9	385.3	244.7	444.5	466.7	410.2	312.1	383.8
Tin (and Tin ore)	2.8	12.3	15.4	25.7	18.2	32.8	44.9	22.8	54.3	57.7	95.9	63.4	80.7
Petroleum and products	13.5	21.7	46.4	52.8	29.7	54.4	100.7	58.3	54.4	189.5	191.2	145.4	151.0
JAPAN (U.S.\$)													
Food . . . . .	..	1.5	4.1	5.6	4.6	7.5	6.9	5.3	7.8	7.5	5.2	6.7	7.1
Crude materials, inedible, except fuels . . . . .	..	..	..	7.0	5.9	7.6	5.0	4.4	4.7	5.8	6.0	5.3	8.5
Chemicals . . . . .	..	0.9	1.3	3.0	2.9	3.1	2.6	3.2	2.5	2.2	3.6	2.7	6.5
Manufactured goods . . . . .	..	..	..	86.9	73.4	98.1	94.3	86.2	102.3	94.6	77.9	71.4	60.7
Machinery and transport equipment . . . . .	..	1.3	5.9	9.0	7.8	9.1	8.5	7.6	7.8	10.3	12.4	12.7	7.8
MALAYA (M\$)													
Food	4.7	11.2	17.1	28.4	25.8	29.2	29.1	27.9	31.6	28.2	27.0	28.4	21.6
Rubber	23.2	73.2	204.5	330.1	408.2	268.6	221.0	225.1	224.3	213.5	162.4	145.8	133.6
Articles wholly or mainly manufactured	12.3	43.9	85.2	112.4	124.1	103.3	96.1	94.2	94.9	99.2	116.9	99.5	103.0
Tin (block, ingots, bars or slabs)	8.0	17.9	39.5	48.2	55.9	40.5	37.6	34.2	35.9	42.8	57.4	36.6	37.9
PAKISTAN (Rs.)													
Raw jute . . . . .	..	29.4†	46.2	59.8	76.2	73.7	101.3	..	..	..	45.9	53.5	
Raw cotton . . . . .	..	31.6†	43.3	80.2	197.1	56.9	123.5	..	..	..	60.0	86.8	
Raw wool . . . . .	..	2.8†	4.7	4.9	7.7	3.3	3.1	..	..	..	1.1	2.2	
Hides and skins . . . . .	..	3.1†	2.8	4.5	7.8	2.7	4.4	..	..	..	2.7	1.5	
Tea . . . . .	..	3.1†	2.0	4.8	4.7	5.9	2.4	..	..	..	0.5	0.1	
PHILIPPINES (P.)													
Abaca (unmanufactured)	1.7	5.0	6.7	11.2	12.5	7.6	8.6	..	..	..	..	..
Coconut products	4.9	34.6	30.9	32.8	39.2	28.2	20.5	..	..	..	..	..
Sugar centrifugal	7.7	3.5	8.1	11.4	18.3	4.2	16.2	..	..	..	..	..
THAILAND (Baht)													
Rice ^a	8.1	78.2	145.2	156.3	192.5	155.2	163.8	201.7	160.3	129.3	85.2	179.7	159.6
Tin ore and concentrates	2.6	4.4	21.6	18.5	25.8	13.6	20.7	14.6	19.8	27.5	15.6	19.1	16.4
Rubber	3.9	34.9	71.4	107.6	132.3	79.5	124.8	146.3	126.6	101.6	85.6	83.2	43.2
Teak ^a	2.2	7.1	11.7	12.8	11.5	..	8.9	10.2	6.0	10.5	7.3	7.8	..

a. From 1950 Port of Bangkok only.

EXTERNAL TRADE

8. QUANTITIES OF EXPORTS OF SELECTED COMMODITIES

Monthly averages or calendar months

Thousand metric tons

	1938	1948	1950	1951	1951		1952						
					I	IV	I	Jan.	Feb.	Mar.	Apr.	May	June
RICE													
Burma	253.3	102.2	99.2	107.1	107.2	69.4	107.7	69.3	88.3	165.4	139.8	99.0	102.5
Indochina	77.8	13.4	8.7	25.5	23.6	14.1	25.8	16.6	11.9	48.8	30.8	41.8	24.6
Thailand	115.4	67.6	123.2	129.5	159.5	125.1	134.0	142.0	134.9	125.2	69.8	117.1	140.3
TEA													
Ceylon	8.9	11.2	11.1	11.8	10.5	12.6	10.4	11.9	9.6	9.6	13.2	14.2	15.5
India	13.4 ^b	14.2	14.8	16.8	19.4	22.0	15.9	19.8	16.4	11.6	5.8	9.1	..
Indonesia	6.0	0.8	2.4	3.3	2.8	3.7	2.6	2.4	1.9	3.4	2.4	3.1	..
Japan	1.4	0.3	0.6	0.7	2.9	0.6	0.7	0.7	0.6	0.7	0.3	0.3	..
Pakistan . . . . .	..	..	0.5	1.8	1.2	2.1	0.7	..	..	0.2	—	0.2	..
COPRA AND COCONUT OIL ^a													
Ceylon	8.7	9.2	7.5	10.3	10.1	11.1	9.9	7.8	12.2	9.6	17.0	13.7	8.8
Indonesia (copra)	25.8 ^c	12.1 ^e	14.1	23.1	17.5	22.9	19.3	22.2	15.1	20.7	..	..	..
Malaya	13.4	7.1	11.2	10.4	9.1	12.1	8.6	12.7	7.5	5.6	7.2	6.2	7.1
N. Borneo	0.4	0.3	1.4	0.9	0.8	0.9	0.5	0.6	0.4	0.6	0.5	1.0	0.6
Philippines	28.9 ^c	35.3	41.0	45.0	40.2	46.8	39.7	47.3	38.0	33.9	33.5	34.0	..
PALM KERNELS AND OIL ^a													
Indonesia (palm oil)	14.2	3.3	8.2	8.1	2.8	14.6	6.0	4.5	5.4	8.2	6.7	..	..
Malaya	3.1	4.4	5.2	4.5	5.3	5.2	4.7	6.8	3.6	3.8	4.3	3.6	3.7
GROUND NUTS AND OIL ^a													
Hong Kong	1.2	0.4	1.8	0.7	1.9	0.1	0.3	0.1	0.2	0.5	0.3	0.4	0.8
India	22.0 ^b	5.5	5.8	5.8	17.4	0.7	4.1	4.2	1.3	6.9	..	..	..
NATURAL RUBBER													
Brunei	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.1	0.1
Burma	0.6	0.8	0.9	1.2	1.1	1.4	1.8	2.3	1.8	1.3	1.3	1.0	1.0
Ceylon	4.2	7.8	10.0	87.7	10.9	10.3	9.1	11.6	8.2	7.5	3.8	8.4	5.8
Indochina	5.0	3.5	4.4	4.4	4.5	5.7	4.4	6.7	3.7	2.9	2.7	2.8	5.3
Indonesia	25.5	36.6	58.6	67.2	72.3	67.6	61.7	73.2	61.8	60.8	60.6	55.5	47.7
Malaya (net export)	31.4	57.5	55.7	51.5	49.0	50.0	51.8	43.7	50.0	61.7	40.7	47.1	49.9
N. Borneo	0.8	1.7	2.0	1.8	1.8	1.9	1.7	2.0	1.6	1.7	1.6	1.4	1.5
Sarawak	1.5	3.4	4.7	3.6	3.2	3.0	2.9	3.2	2.3	3.1	3.6	2.2	3.5
Thailand	3.5	8.1	9.5	9.2	10.1	7.7	9.1	9.8	8.2	9.3	8.0	9.0	4.7
COTTON RAW													
India	38.6 ^b	8.0	2.7	2.3	1.7	—	0.1	0.3	—	0.1	2.5	8.1	..
Pakistan . . . . .	..	13.6	17.2	18.3	45.3	14.9	31.2	..	..	..	16.6	23.3	..
COTTON YARN (tons)													
Hong Kong . . . . .	..	..	2,109	1,732	2,003	1,707	1,997	1,869	1,908	2,187	727	2,356	1,600
Japan	1,745	458	892	1,025	1,160	1,259	2,195	1,325	2,876	2,384	..	..	..
Malaya	197	22	388	167	260	161	76	92	40	95	42	77	96
COTTON PIECE GOODS (mn. metres)													
Hong Kong . . . . .	..	..	10.8	12.2	13.1	15.6	7.0 ^f	5.1	6.5	9.4	7.0	12.0	11.0
India	14.6 ^b	23.5	93.7	59.1	141.5	28.2	32.7	41.1	32.9	24.1	22.5	38.4	..
Japan (mn. sq. metres)	158.4	28.2	76.9	75.3	72.1	75.6	70.4	70.7	77.0	63.4	..	..	..
Malaya	2.0	7.5	14.5 ^f	14.5	19.2	11.2	10.3	13.3	7.6	10.1	6.4	11.7	7.1
JUTE													
Pakistan (raw) . . . . .	..	16.1	50.0	56.0	82.5	63.0	83.2	..	..	..	41.9	49.6	..
India (bag and cloth)	78.9 ^d	78.4	54.0	67.1	49.7	83.2	61.4	77.5	49.8	56.9	64.7	..	..
HEMP RAW													
Philippines	11.8	6.2	7.9	10.3	13.6	7.9	10.1	..	..	..	6.8	5.6	8.9
TIN CONCENTRATES													
Burma	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	..
Indonesia	1.2	2.8	2.6	2.6	2.4	2.7	2.2	2.5	2.0	2.1	3.5	2.3	2.9
Thailand	1.1	0.5	0.9	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	..
TIN METAL													
Malaya	5.2	4.0	6.9	5.5	5.4	5.3	4.8	4.5	4.6	5.3	7.2	4.6	4.8
PETROLEUM AND PRODUCTS													
Indonesia	506	321	504	506	319	530	452	582	188	586	584	522	524
Malaya	84	82	165	163	167	180	154	158	207	98	188	168	264

a. Expressed in terms of oil equivalent; figures under column for 1938 refer to averages for the period 1934-1938.

b. Including territory now under Pakistan.

c. 1935-1939.

d. Converted at 2.25 lbs. per bag and 0.50 lb. per yard of cloth.

e. Excluding exports to Singapore from Indonesia.

f. Unit changed from million meters to million square meters from 1950 for Malaya and 1952 for Hong Kong for cotton piecegoods.

EXTERNAL TRADE

9. INDEX NUMBERS OF QUANTUM OF TRADE

1948=100

	1938	1950	1951	1951		1952						
				I	IV	I	Jan.	Feb.	Mar.	Apr.	May	June
Burma ^a												
Imports: General	163‡	95	87	126	66	74	67	78	76	..	..	..
Food, etc.	175‡	79	87	56	66	151	..	..	..	..	..	..
Textile & clothing	164‡	328	92	223	28	43	..	..	..	..	..	..
Coal & petroleum products	254‡	153	238	121	438	119	..	..	..	..	..	..
Minerals	132‡	88	168	118	130	113	..	..	..	..	..	..
Machinery & miscellaneous	106‡	63	73	63	79	104	..	..	..	..	..	..
Exports: General	263‡	42	96	104	60	101	65	99	139	..	..	..
Food, etc.	260‡	51	106	112	60	79	..	..	..	..	..	..
Timber	172‡	18	51	36	56	32	..	..	..	..	..	..
Cotton	170‡	61	80	178	24	250	..	..	..	..	..	..
Minerals	1,781‡	197	129	90	159	70	..	..	..	..	..	..
CEYLON												
Imports	89	121	135	140	125	146	145	142	152	133	131	157
Exports	80	110	112	111	115	117	135	116	100	132	130	128
INDIA ^b												
Imports: All commodities	106‡	88	108	94	118	138	148	127	140	126	125	..
Food, drink & tobacco . . . . .	..	73	147	114	172	202	224	140	241	199	..	..
Raw materials & semi-manufactures . . . . .	..	123	113	96	123	167	176	186	138	170	..	..
Manufactures . . . . .	..	79	92	85	95	100	105	96	99	77	..	..
Exports: All commodities	172‡	115	114	162	91	96	108	83	98	78	103	..
Food, drink & tobacco . . . . .	..	109	121	136	139	114	132	106	105	58	..	..
Raw materials & semi-manufactures . . . . .	..	103	112	179	65	84	82	75	96	97	..	..
Manufactures . . . . .	..	122	111	164	84	95	110	79	96	77	..	..
INDOCHINA												
Imports	85	151	189	151	229	..	..	..	..	..	..	..
Exports	259	88	132	120	135	130	..	..	..	..	..	..
JAPAN												
Imports . . . . .	..	180	259	195	230	257	218	238	316	..	..	..
Exports . . . . .	..	400	404	411	449	472	400	482	532	..	..	..
MALAYA												
Imports: All commodities	81	137	181	188	177	178	178			160		
Food, drink & tobacco	109	120	156	150	155	153	153			151		
Raw materials & semi-manufactures	83	147	172	207	155	123	123			111		
Manufactures	66	85	199	197	199	219	219			190		
Exports: All commodities	73	127	134	137	131	115	115			108		
Food, drink & tobacco	162	122	172	167	165	165	165			143		
Raw materials & semi-manufactures	60	115	124	126	121	101	101			90		
Manufactures	95	173	161	167	156	151	151			162		
PHILIPPINES												
Imports . . . . .	..	74	82	70	86	83	87	90	71	76	73	68
Exports	143	133	149	176	121	169	182	133	193	184	215	183

a. Base: October 1947—September 1948=100.

b. Base April 1948—March 1949. Overland trade excluded. The index numbers for the calendar year 1948 are 93 and 100 in the case of imports and exports respectively.

EXTERNAL TRADE

10. INDEX NUMBERS OF UNIT VALUE OF TRADE

1948=100

	1938	1950	1951	1951		1952						
				I	IV	I	Jan.	Feb.	Mar.	Apr.	May	June
Unit Value Indices												
BURMA ^a												
Imports: General	23½	114	84	67	104	86	95	83	80	..	..	..
Food, etc.	26½	142	127	128	123	128	..	..	..	..	..	..
Textile & clothings	18½	97	53	33	79	56	..	..	..	..	..	..
Coal & petroleum products	30½	91	123	119	97	124	..	..	..	..	..	..
Minerals	24½	77	114	116	107	106	..	..	..	..	..	..
Machinery & miscellaneous	42½	123	116	96	150	119	..	..	..	..	..	..
Exports: General	17½	104	131	124	142	149	142	150	156	..	..	..
Food, etc.	15½	108	117	111	128	134	..	..	..	..	..	..
Timber	23½	115	153	146	156	158	..	..	..	..	..	..
Cotton	21½	111	199	212	169	201	..	..	..	..	..	..
Minerals	54½	199	410	355	461	302	..	..	..	..	..	..
CEYLON												
Imports	23	98	116	106	132	137	140	135	136	140	134	137
Exports: All commodities	32	144	175	188	158	149	152	149	145	136	133	128
Tea	37	127	132	141	119	118	116	117	121	113	108	106
Rubber	56	222	367	410	321	299	313	309	274	268	278	258
All coconut products	14	144	169	170	155	129	140	141	117	103	98	97
Other export products	24	124	165	165	151	150	154	150	146	146	131	141
INDIA ^b												
Imports: All commodities	28½	104	126	123	124	131	128	131	133	135	133	..
Food, drink & tobacco . . . . .	..	104	116	105	128	132	130	124	143	141	..	..
Raw materials & semi-manufactures . . . . .	..	113	152	154	139	142	137	148	141	135	..	..
Manufactures . . . . .	..	97	118	118	113	120	119	122	119	130	..	..
Exports: All commodities	24½	110	160	120	168	156	164	152	150	150	128	..
Food, drink & tobacco . . . . .	..	127	149	140	148	153	152	148	160	145	..	..
Raw materials & semi-manufactures . . . . .	..	114	148	129	150	148	144	149	153	146	..	..
Manufactures . . . . .	..	103	170	109	186	159	177	156	144	154	..	..
INDOCHINA												
Imports	8	122	140	130	151	..	..	..	..	..	..	..
Exports	11	147	182	190	204	198	..	..	..	..	..	..
INDONESIA												
Exports: All commodities	31	177	265	313	244	471	229	624	560	566	541	504
Estate produce	38	185	273	300	273	529	249	692	645	651	617	588
Peasant produce	27	171	219	306	220	432	216	577	504	509	489	449
Forest produce	12	99	148	139	156	302	143	404	360	350	364	298
JAPAN ^d												
Imports . . . . .	..	79	116	109	110	107	105	109	108	..	..	..
Exports . . . . .	..	79	130	111	135	126	127	128	122	..	..	..
MALAYA												
Imports: All commodities	36	115	144	149	143	133	..	133	..	..	131	..
Food, drink & tobacco	23	100	110	108	117	118	..	118	..	..	123	..
Raw materials & semi-manufactures	53	175	283	314	266	238	..	238	..	..	190	..
Manufactures	41	106	126	122	126	122	..	122	..	..	121	..
Exports: All commodities ^e	43	173	258	298	228	221	..	221	..	..	187	..
Food, drink & tobacco	24	120	141	138	147	146	..	146	..	..	149	..
Raw materials & semi-manufactures	52	214	330	394	281	274	..	274	..	..	210	..
Manufactures	32	110	155	165	143	139	..	139	..	..	238	..
PHILIPPINES												
Imports . . . . .	..	79	100	89	106	99	102	99	97	96	93	92
Exports	25	77	84	87	79	67	68	69	64	64	76	62
Terms of Trade ^e												
BURMA ^a	74½	91	157	186	137	174	150	181	196	..	..	..
CEYLON	141	147	151	177	120	109	109	110	107	97	99	93
INDIA ^b	86½	106	127	97	135	119	129	116	112	111	..	..
INDOCHINA	138	120	130	147	135	..	..	..	..	..	..	..
JAPAN ^d . . . . .	..	100	112	102	122	117	121	117	110	..	..	..
MALAYA	120	151	179	199	159	166	..	..	166	..	..	143
PHILIPPINES . . . . .	..	97	84	88	74	67	67	70	66	67	82	67

a. Base: October 1947—September 1948=100.

b. Base: April 1948—March 1949=100. Overland trade excluded.

c. Weighted wholesale price index numbers of 18 export products at f.o.b. prices. Figures from April 1950 to February 1952 exclude the value of exchange certificates. The rise beginning February 1952 is principally due to the change in the conversion rate of the rupiah from 3.80 (excluding the value of the exchange certificate) to 11.40 per U.S. dollar.

d. In terms of U.S. dollars.

e. Ratio of unit value index of exports to unit value index of imports multiplied by 100.

PRICES

11. INDEX NUMBERS OF WHOLESALE PRICES

1948=100

	1949	1950	1951	1951		1952						
				I	IV	I	Jan.	Feb.	Mar.	Apr.	May	June
BURMA												
All agricultural produce	123	115	133	117	134	117	120	114	116	..	..	..
Cereals	96	98	104	91	102	96	93	97	97	..	..	..
Non-food agricultural produce	161	196	204	235	173	183	169	157	221	..	..	..
CHINA (Taipei) ^a												
General index . . . . .	..	125 ^e	183	164	208	227	220	227	232	235	230	226
Food . . . . .	..	108 ^e	140	137	151	166	164	164	168	174	172	170
Clothing . . . . .	..	160 ^e	330	251	427	433	422	441	435	425	400	393
Fuel & light . . . . .	..	141 ^e	156	154	160	183	173	186	190	202	193	184
Metals & electrical materials . . . . .	..	137 ^e	218	172	262	274	270	271	282	290	273	272
Building materials . . . . .	..	113 ^e	154	132	192	241	225	234	266	249	239	238
Miscellaneous . . . . .	..	131 ^e	219	183	243	256	248	260	260	261	265	259
INDIA												
General index	104	109	120	116	119	111	117	113	103	103	100	102
Food articles	104	110	110	110	108	99	105	100	92	93	91	93
Industrial raw materials	108	117	141	133	135	120	135	127	99	101	97	100
Semi-manufactured articles	104	108	119	117	119	113	117	115	108	107	102	104
Manufactured goods	101	102	116	109	118	115	118	116	113	112	109	110
Miscellaneous	108	136	145	143	147	137	146	141	124	119	116	120
INDONESIA (Djakarta, imported goods)												
All articles	123	253	346	336	342	344	350	346	337	..	..	..
Provisions	90	180	295	244	342	371	378	363	371	..	..	..
Textile goods	194	351	318	375	281	261	273	265	245	..	..	..
Chemicals	88	221	373	372	351	346	349	346	343	..	..	..
Metals	95	220	381	353	390	384	386	383	384	..	..	..
Other articles	108	243	383	323	379	403	402	414	394	..	..	..
JAPAN												
General index	163	193	267	246	280	278	280	279	276	273	272	213
Edible farm products	178	207	258	226	285	285	285	286	285	283	286	296
Other foodstuffs & tobacco products	164	159	175	166	182	181	181	181	181	182	179	178
Textiles	215	262	363	389	340	307	323	310	288	280	286	289
Chemicals	138	180	250	221	280	290	291	291	289	286	274	262
Metal & products	143	214	423	351	438	436	433	439	435	427	416	409
Building materials	141	165	243	236	248	254	248	256	258	258	257	251
Fuels	150	170	203	177	232	247	246	247	250	249	258	263
Miscellaneous ^b	149	186	276	257	278	272	276	274	267	257	247	241
KOREA (Pusan) ^c												
General index . . . . .	..	..	..	..	2,672	3,105	2,630	3,008	3,676	3,789	4,770	..
Fertilizers . . . . .	..	..	..	..	7,526	7,526	7,526	7,526	7,526	7,526	7,526	..
Textile raw materials . . . . .	..	..	..	..	2,039	1,916	1,829	1,943	1,977	2,222	2,222	..
Textiles . . . . .	..	..	..	..	2,062	1,907	1,752	1,880	2,088	1,988	1,964	..
Building materials . . . . .	..	..	..	..	3,252	3,257	3,445	3,143	3,183	3,367	3,521	..
PHILIPPINES (Manila)												
General index	87	77	85	84	80	74	74	76	73	73	74	76
THAILAND (Bangkok)												
General index	93	95	103	99	107	107	104	108	109	108	106	108
VIET-NAM (Saigon, Cholon) ^d												
General index	125	123	146	135	155	157	157	157	157	156	158	157
Rice & paddy	125	104	112	97	129	136	131	136	141	149	169	174
Other food products	125	125	140	132	148	157	156	157	157	156	156	153
Fuel & mineral products	136	153	161	159	162	162	162	162	162	163	160	163
Raw materials	120	172	237	262	227	215	223	215	208	194	168	160
Semi-finished products	123	117	146	126	165	158	161	160	150	153	153	154
Manufactured products	125	105	142	122	142	143	144	144	141	125	123	119

a. January-June 1950=100.

b. Revised series.

c. 1947=100

d. New series for Saigon beginning 1949, which is linked to the old series.

e. Average of July to December.

PRICES

12. INDEX NUMBERS OF COST OF LIVING
1948=100

	1949	1950	1951	1951		1952						
				I	IV	I	Jan.	Feb.	Mar.	Apr.	May	June
BURMA (Rangoon)												
All items	135	114	112	106	109	105	106	103	106	101	..	..
Food	142	120	120	111	121	109	111	106	110	106	..	..
CAMBODIA (Phnom-Penh)												
All items	138	155	163	160	169	174	171	175	175	174	180	180
Food	133	150	154	153	158	168	163	171	171	168	176	176
CEYLON (Colombo)												
All items	99	105	109	109	109	110	112	110	108	108	106	107
Food	104	112	112	114	112	112	114	112	109	107	108	109
CHINA (Taipei) ^a												
All items	..	113 ^f	139	127	154	174	166	177	181	182	178	175
Food	..	101 ^f	146	107	118	131	127	131	134	138	135	132
HONG KONG ^b												
All items	112	117	128	126	129	128	..	..	128	..	..	128
Food	119	127	136	129	136	133	..	..	133	..	..	137
INDIA												
Bombay												
All items	101	103	109	107	110	106	109	107	103	114	112	112
Food	105	109	115	113	116	108	113	109	103	122	120	120
Delhi												
All items	100	100	108	104	110	106	108	107	103	110	112	110
Food	101	101	112	108	114	104	107	105	99	112	118	113
INDONESIA (Djakarta)												
Food	97	113	189	179	217	218	233	209	212	204	..	..
JAPAN (Urban)												
All items	138	128	151	142	158	165	166	164	165	165	166	166
Food	134	120	140	132	141	148	147	147	150	150	151	151
KOREA (Pusan) ^b												
All items	123	281	1,397	881	1,857	2,473	2,068	2,465	2,887	2,836	3,391	..
Food	131	302	1,427	977	2,040	2,999	2,338	2,991	3,670	3,583	4,513	..
LAOS (Vientiane) ^c												
All items	106	107*	113	107	117	122	119	125	123	129	133	134
Food	103	100*	102	95	106	114	111	118	114	122	129	130
MALAYA (Kuala Lumpur)												
All items	94	101	133	125	139	141	141	141	141	140	139	138
Chinese	94	99	132	125	138	142	142	142	142	140	139	137
Indian	98	108	136	132	140	143	143	143	143	139	138	138
Malay ^d	98	108	136	132	140	143	143	143	143	139	138	138
PAKISTAN ^e												
Karachi												
All items	98‡	95	99	96	101	100	101	101	99	98	99	100
Food	..	93	99	96	103	102	102	102	101	99	100	102
Narayanganj												
All items	103‡	98	102	99	107	106	111	108	98	99	109	..
Food	..	97	101	98	105	104	110	107	95	96	110	..
PHILIPPINES (Manila)												
All items	94	93	99	98	97	96	96	96	95	94	94	95
Food	93	86	94	92	92	90	91	91	89	89	89	90
THAILAND (Bangkok)												
All items	96	99	110	110	107	114	109	117	118	122	126	125
Food	95	97	106	107	100	110	103	114	114	117	122	120
VIET-NAM (Saigon)												
All items	122	125	141	132	150	161	158	161	165	165	167	168
Food	120	114	124	115	136	153	150	153	158	157	160	162

a. January-June 1950=100.

b. Retail price index.

c. December 1948=100.

d. January 1949=100.

e. April 1948-March 1949=100.

f. Average of July to December.

PRICES

13. WHOLESALE PRICE QUOTATIONS OF SELECTED COMMODITIES

Monthly averages or calendar months per ton

	Currency Unit	1948	1950	1951	1 9 5 1		1 9 5 2						
					I	IV	I	Jan.	Feb.	Mar.	Apr.	May	June
RICE													
Burma	K.	..	254	266	264	276	272	..	..	..	..	..	..
China (Taiwan)	NT \$	..	1,247	1,285	1,400	1,331	1,835	1,820	1,776	1,909	2,109	2,082	1,896
India	Rs.	436	432	432	432	432	432	432	432	432	432	449	449
Indonesia	Rp.	870	971*	1,951*	2,177	..	..	..	..	..	2,550	2,400	..
Japan	000 Y.	24.9	41.0	47.9	41.0	47.9	47.9	47.9	47.9	47.9	47.9	..	..
Korea ^a (south)	000 W.	127	307*	1,948*	..	2,515	3,644	2,614	3,394	4,924	5,265	7,401	..
Pakistan	Rs.	917	475	623	517	676	676	670	690	668	650	691	707
Thailand	Baht	..	959	985	899	1,096	1,072	1,083	1,083	1,050	1,050	1,017	1,083
Viet-Nam	Pr.	2,100	2,200	2,322	1,993	2,663	2,790	2,720	2,800	2,860	3,020	3,440	3,560
WHEAT													
India	Rs.	566	410	412	412	412	412	412	412	412	412	412	412
Korea ^a (south)	000 W.	73	252*	1,305*	..	1,170	2,813	2,258	2,765	3,417	3,197	4,333	..
Pakistan	Rs.	320	270	289*	266	285	290	285	285	300	310	310	310
SUGAR													
China (Taiwan)	NT \$	..	1,382	3,462	3,711	2,898	2,499	2,622	2,450	2,424	2,582	2,528	2,850
India	Rs.	990	773	822	822	822	822	822	822	822	822	822	822
Indonesia	Rp.	2,290	2,906	2,945	3,243	2,820	2,747	2,690	2,810	2,740	2,850	2,900	2,919
Korea ^a (south)	000 W.	411	1,078*	6,545*	..	6,422	8,278	5,867	7,633	11,334	15,917	15,434	..
Pakistan	Rs.	925	1,000	1,067	1,021	1,206	1,206	1,206	1,206	1,206	1,206	1,206	..
Philippines	P.	291	269	257	249	258	244	249	243	241	242	244	..
Thailand	Baht	4,608*	5,330	6,015	6,219	6,325	5,533	6,200	5,450	4,950	4,950	..	5,450
PEPPER													
Cambodia	000 Pr.	34.8	137.3	147.6	152.4	135.6	129.8	129.3	130.9	129.3	100.9	97.8	110.4
Malaya	000 MS	3.2	15.2	16.1	18.2	13.5	12.6	13.2	13.2	11.2	9.1	9.6	9.3
Thailand	000 Baht	23.8	95.6	101.8*	102.0	n.t.	n.t.	n.t.	n.t.	n.t.	n.t.	n.t.	n.t.
TEA													
China (Taiwan)	NT \$	..	7,431	10,193	9,074	11,482	11,833	11,944	11,667	11,889	12,000	11,667	11,667
Ceylon	Rs.	3,594	4,453	4,056	5,020	3,741	3,697	3,704	3,858	3,527	3,219	3,285	3,483
India	Rs.	3,593*	3,946*	3,814*	3,880	3,616	3,373 ^a	..	3,373	3,373	2,557	..	2,557
Indonesia	Rp.	2,200	5,521	6,557	6,917	5,880	7,517	6,430	8,420	7,700	6,970	6,380	6,420
Pakistan	Rs.	4,696	4,126*	3,686*	3,984 ^e	..	2,888 ^b	..	2,888	..	..	..	..
U.K.	US \$	1,190	961	1,014	983	1,010	1,010	1,019	996	1,014	1,010	996	990
U.S.A.	US \$	1,290	1,146	1,096	1,221 ^f	1,027	1,052	1,067	1,067	1,023	941	941	941
TOBACCO													
China (Taiwan)	NT \$	..	9,197	14,597	17,278	15,963	25,408	22,666	29,334	24,222	20,000	20,000	20,666
India	Rs.	..	2,700 ^d	5,540*	2,973	7,118	2,305	2,305	2,305	2,305	2,305	..	..
Pakistan	Rs.	2,551	2,550*	4,131	4,097	4,528	4,381	4,489	4,556	4,100	2,613	2,197	2,143
Philippines	P.	816	1,551	905	1,106	713	648	662	646	635	634	575	546
VEGETABLE OIL													
China (Taiwan)	NT \$	..	5,354	6,416	6,880	6,571	7,219	6,685	7,000	7,972	8,889	8,407	8,333
Ceylon	Rs.	1,006	1,390	1,598	2,008	1,343	1,003	1,182	1,016	810	740	873	855
India	Rs.	..	1,938 ^d	1,963	2,035	1,879	1,453	1,673	1,466	1,220	1,161	1,201	1,201
Indonesia	Rp.	1,221	1,695	2,290	2,160	2,580	2,447	1,970	2,930	2,440	2,330	1,910	..
Malaya	MS	1,142	1,090	1,299	1,578	1,117	871	1,034	850	731	686	763	726
Pakistan	Rs.	2,649	3,267	3,003	3,393	2,898	2,511	2,693	2,573	2,267	2,130	2,331	2,324
Philippines	P.	980	676	700	890	580	460	520	460	400	370	380	440
COPRA													
Ceylon	Rs.	531	826	963	1,173	836	612	732	606	497	514	563	555
India	Rs.	986	1,486	1,561	1,585	1,590	1,124	1,365	1,112	893	879	968	997
Indonesia	Rp.	390	1,194	1,400	1,533	1,167	1,100	1,200	1,100	1,000	1,000	..	..
Malaya	MS	635	650	726	914	631	509	601	471	454	411	446	430
Philippines	P.	515	360	362	480	303	236	271	237	198	185	196	234
Thailand	Baht	2,730	3,292	3,795	4,729	3,303	2,995	3,333	3,083	2,567	2,783	2,783	2,667
U.S.A.	US \$	308	223	229	295	196	161	179	164	141	132	141	160
COTTON, RAW													
China (Taiwan)	NT \$	..	9,639	2,838	1,926	4,105	3,963	4,000	4,000	3,889	3,667	3,667	3,444
India	Rs.	1,828*	1,086*	1,788	1,729	1,870	1,870	1,870	1,870	1,870	1,294	1,350	1,350
Korea ^a (south)	000 W.	630	1,672*	3,423*	..	4,828	5,195	5,250	5,283	5,050	5,333	5,917	..
Pakistan	Rs.	1,879	2,218*	3,023	3,422	2,847	2,864	3,256	2,894	2,442	2,405	2,299	2,291
U.K.	US \$	785	917	1,175	1,230	1,107	1,102	1,171	1,080	1,054	1,054	1,030	1,016
JUTE, RAW													
India	Rs.	1,078	1,107	1,826	1,102	1,562	1,552	1,764	1,571	1,323	1,157	854	882
Pakistan	Rs.	958	668	1,140	934	1,002	944	1,060	914	857	..	..	..
U.K.	US \$	386	315	485	437	459	428	476	435	373	366	359	310
U.S.A.	US \$	408	342	509	467	487	472	518	474	388	386	354	322

PRICES

13. WHOLESALE PRICE QUOTATIONS OF SELECTED COMMODITIES—(Cont'd)

Monthly averages or calendar months per ton

June		Currency Unit	1948	1950	1951	1951		1952						
						I	IV	I	Jan.	Feb.	Mar.	Apr.	May	June
	HEMP													
1,896	Philippines	P.	837	841	990	1,091	803	754	756	764	744	694	583	546
449	COIR													
	Ceylon	Rs.	148	268	332	318	278	285	285	285	285	285	285	..
	India	Rs.	..	1,624 ^d	1,637	1,775	1,449	1,236	1,345	1,181	1,181	984	888	869
	WOOL, RAW													
707	India	Rs.	1,967	3,992	4,440	5,861	2,617	2,505	2,416	2,550	2,550	1,745	2,886	2,550
1,083	Pakistan	Rs.	3,137 [†]	7,125 ^b	4,758 [*]	7,568 ^g	3,532	3,475	3,791	3,771	2,863	2,211	3,007	3,304
3,560	SILK, RAW													
	India	000 Rs.	53	84	66	78	47	43	43	43	43	33	31	32
412	Japan	000 Y.	1,556	2,579	3,761	4,582	3,574	3,563	3,521	3,637	3,531	3,568	3,570	3,618
	Korea ^a (south)	000 W.	7,067	15,733 [*]	61,333 [*]	..	77,680	93,413	81,600	88,533	110,133	120,800	131,733	..
310	HIDES													
	China (Taiwan)	NT\$	..	5,274	6,762	5,556	7,537	7,667	7,667	7,667	7,667	9,779	1,306	1,333
2,850	India	Rs.	2,158	2,002	3,729	4,134	2,957	2,554	2,149	2,370	3,142	1,819	1,819	2,149
822	Pakistan	Rs.	1,860	2,543	2,976	3,895	2,651	2,404	2,756	2,015	1,732	1,685	1,732	..
2,919	Thailand	Baht	8,219	12,815	16,156	23,535	11,042	8,611	10,417	9,167	6,250	5,833	5,417	5,417
	U.S.A.	US \$	606	564	692	808	525	295	309	293	282	227	315	326
	RUBBER, NATURAL													
5,450	Ceylon	Rs.	1,367	3,417	4,740	6,598	3,887	3,461	3,814	3,329	3,241	3,351	3,197	3,505
	Indonesia	Rp.	1,020 ^b	5,958	9,300	12,100	8,080	7,797	7,710	8,180	7,500	7,330	5,800	6,300
	Malaya	MS	929	2,385	3,730	4,753	3,231	2,731	3,090	2,646	2,456	2,416	1,945	1,958
	Thailand	Baht	6,531	12,155	19,351	21,779	18,953	15,521	17,625	16,485	12,453	12,325	8,590	9,055
110.4	Viet-Nam	Pr.	7,150	15,230	24,100	30,000	21,830	19,180	20,800	10,000	17,750	16,300	13,500	12,500
9.3	U.K.	£	119	306	467	597	399	334	372	326	305	294	239	242
n.t.	U.S.A.	US \$	485	906	1,302	1,594	1,146	1,124	1,146	1,113	1,113	1,069	1,069	838
	COAL													
11,667	China (Taiwan)	NT \$	..	137	214	172	284	396	389	400	400	400	389	352
3,483	India	Rs.	16	16	15	16	16	16	16	16	16	16	16	16
2,557	Korea ^a (south)	W.	3,607	4,000 [*]	66 [*]	..	85	85	85	85	85	85	85	..
6,420	Viet-Nam	Pr.	347	583	587	583	594	637	637	637	637	637	637	714
	TIN													
990	Malaya	000 MS	4.46	6.07	8.71	10.94	7.69	7.96	7.85	8.07	7.97	7.90	7.95	8.00
941	Thailand	Baht	29,440	31,480	52,040	46,333	53,330	48,333	50,000	50,000	45,000	40,000	40,000	40,000
	U.K.	£	543	733	1,060	1,318	958	960	953	969	957	948	950	957
20,666	U.S.A.	US \$	2,188	2,107	2,829	3,674	2,271	2,592	2,419	2,679	2,679	2,679	2,679	2,679
	PIG IRON													
2,143	India	Rs.	111	105	116	105	131	131	131	131	131	131	131	131
546	Japan	Y.	4,354	13,134 [*]	27,490	16,862	30,300	30,220	30,260	30,200	30,300	30,300	30,300	..
	Korea ^a (south)	000 W.	15	50 [*]	236 [*]	..	303	318	360	302	292	313	320	..
	CEMENT													
8,333	China (Taiwan)	NT \$	..	273	319	316	383	658	502	513	958	647	501	487
855	India	Rs.	84	81	89	81	93	93	93	93	93	93	92	92
1,201	Japan	Y.	2,794	5,006	7,760	6,411	8,667	8,800	8,800	8,800	8,800	8,800	8,800	8,800
	Korea ^a (south)	000 W.	22	46 [*]	272 [*]	..	342	319	312	316	330	388	420	..
726	Pakistan	Rs.	..	94	94	94	94	94	94	94	94	94	94	94
2,324	Viet-Nam	Pr.	746	986	1,035	976	1,078	1,093	1,079	1,100	1,100	1,100	1,100	1,100
440	COTTON YARN													
	China (Taiwan)	NT \$	..	14,327	26,777	28,476	23,148	23,148	23,148	23,148	23,148	23,148	23,148	23,148
555	India	Rs.	2,623 ^c	3,064	3,549 [*]	3,263	..	..	..	..	..	..	..	..
997	Japan	000 Y.	87	373	662	474	672	556	596	575	497	497	535	531
	Viet-Nam	000 Pr.	50 [*]	51	65	57	66	57	60	53	57	58	53	53
	COTTON FABRICS													
430	India	Rs.	4,123	3,641	4,233	3,880	4,343	4,343	4,343	4,343	4,343	4,343	4,079	4,101
234	Japan (Metre)	Y.	..	79	106	117	90	75	83	77	68	57	67	74
2,667	JUTE BAGS (per hundred)													
160	India	Rs.	133	156	229	159	252	213	254	206	180	152	125	122
	Pakistan	Rs.	151	196	215	189	246	224	261	229	182	182	171	128
	JUTE (hessian)													
3,444	India	Rs.	..	1,904 ^d	2,741	1,904	2,590	2,305	2,697	2,146	2,071	1,871	1,704	1,770
1,350	U.K.	US \$	658	559	909	718	889	863	889	889	814	739	739	611
2,291	U.S.A.	US \$	660	776	1,055	1,183	926	774	926	822	573	600	485	476

GENERAL NOTE: For details regarding specification and market centre see Revised Explanatory Notes to table 13 on page 50.

n.t.—no transaction.

a. As from the second quarter of 1951, figures relate to Pusan.

b. December.

c. April.

d. 30th December.

e. Average of January and March.

f. January.

g. Average of February and March.

h. February.

FINANCE

14. RATES OF INTEREST

Average rates in per cent per annum

	1938	1948	1950	1951	1951		1952						
					I	IV	I	Jan.	Feb.	Mar.	Apr.	May	June
BURMA													
Bank rate	3.00 ^r	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	..	..	..
Call money rate . . . . .	..	..	..	1.04	1.00	1.17	2.00	2.00	2.00	2.00	..	..	..
Fixed deposit rate ^a	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	..	..	..
CAMBODIA, LAOS AND VIET-NAM													
Bank rate	5.00	..	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
CEYLON													
Bank rate . . . . .	..	..	..	2.50*	..	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Call money rate . . . . .	..	..	..	0.50*	..	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Commercial bank lending rate, ^b													
maximum . . . . .	..	..	..	5.00*	..	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
minimum . . . . .	..	..	..	2.25*	..	2.25	2.50	2.50	2.50	2.50	2.50	2.25	2.25
Fixed deposit rate,													
maximum . . . . .	..	..	..	2.75*	..	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
minimum . . . . .	..	..	..	0.50*	..	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Treasury bill ^c . . . . .	..	..	..	0.48*	..	0.48	0.40	0.40	0.40	0.40	0.44	0.66	0.82
Government bond yield ^d . . . . .	..	..	..	2.81	2.78	2.87	2.85	2.70	2.91	2.94	2.96	2.96	2.95
CHINA (Taiwan)													
Bank rate . . . . .	..	..	39.60	23.40	23.40	23.40	23.40	23.40	23.40	23.40	23.40	23.40	23.40
Call money rate . . . . .	..	..	16.42	10.80	10.80	10.80	10.80	10.80	10.80	10.80	10.80	10.80	10.80
Commercial bank lending rate ^e . . . . .	..	..	81.00	52.20	46.80	54.00	54.00	54.00	54.00	54.00	54.24	55.80	50.64
Fixed deposit rate ^f . . . . .	..	..	40.88	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00
INDIA													
Bank rate	3.00	3.00	3.00	3.08	3.00	3.33	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Call money rate . . . . .	..	0.50	0.58	1.01	1.07	1.13	2.75	2.75	2.75	2.75	2.82	2.62	1.25
Commercial bank lending rate ^g													
lowest ^h . . . . .	..	..	3.00	3.40	3.50	3.50	..	..	..	..	..	..	..
highest ^h . . . . .	..	..	6.00	6.00	6.00	6.00	..	..	..	..	..	..	..
Fixed deposit rate ⁱ . . . . .	..	1.35	1.59	2.08	1.76	2.28	2.71	2.56	2.75	2.81	2.97	2.65	2.22
Government bond yield ^j . . . . .	..	..	3.11	3.39	3.23	3.47	3.73	3.74	3.73	3.71	3.69	3.63	3.61
INDONESIA													
Government bond yield rate ^k . . . . .	..	..	3.50	4.28	3.86	4.50	4.32	4.42	4.28	4.25	4.27	4.22	4.24
JAPAN													
Bank rate													
Discount	3.29	4.56	5.11	5.29	5.11	5.84	5.84	5.84	5.84	5.84	5.84	5.84	5.84
Secured loans	3.29	4.93	5.48	5.66	5.48	6.21	6.21	6.21	6.21	6.21	6.21	6.21	6.21
Call money rate . . . . .	..	..	6.40	7.12	7.12	7.12	7.97	7.12	8.40	8.40	8.03	7.85	8.03
Commercial bank lending rate ^{m,n}													
Y.3 million and under . . . . .	..	..	9.13*	9.13	9.13	9.13	9.13	9.13	9.13	9.13	9.13	9.13	9.13
above Y.3 million . . . . .	..	..	8.76*	8.76	8.76	8.76	8.76	8.76	8.76	8.76	8.76	8.76	8.76
Fixed deposit rate ⁿ . . . . .	..	4.30	4.70	5.47	5.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Government bond yield ^p . . . . .	..	..	..	..	..	5.50	..	5.50	..	..	..	..	..
PAKISTAN													
Bank rate	3.00 ^r	3.00*	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Call money rate . . . . .	..	..	0.99	0.94	1.91	0.54	2.14	2.44	2.10	1.88	2.00	2.00	1.88
Fixed deposit rate . . . . .	..	1.25*	1.25	1.25	1.25	1.25	..	1.25	..	2.00	2.00	2.00	2.00
Government bond yield ^q . . . . .	..	..	2.96*	2.98	2.99	2.99	2.98	2.98	2.98	2.98	2.98	2.98	2.98
THAILAND													
Treasury bill . . . . .	..	1.32	2.02	2.10	2.07	2.17	2.18	2.19	2.17	2.17	2.17	2.17	2.17

GENERAL NOTES: All rates are those prevailing in the capital city of each country except in India where rates in Bombay have been taken. Bank rate relates to the rate charged by Central Bank on loans and/or discounts given to commercial banks. In Burma it relates to the discount rate on commercial bills; in Ceylon to interest rate on advances; in India to the rate at which the Reserve Bank of India is prepared to buy or rediscount bills of exchange or other eligible commercial papers; in Japan to the rediscount rate on commercial bills and the official interest rate of Bank of Japan for loans secured against Government Bonds and eligible corporate debentures; in Pakistan to the discount rate; in China (Taiwan) it relates to the rate charged by the Bank of Taiwan for overdrafts. Call money rate relates to inter-bank rate on money at call. Fixed deposit rate relates to rate paid by commercial banks on deposits of 12 months duration.

- a. Post office saving accounts. b. Against government securities.
 c. Weighted average of tender rates on new bills issued within the period.
 d. Yield of 3 per cent national development loan 1965-70 calculated to earliest redemption date.

- e. Overdraft secured loans of other banks except Bank of Taiwan.
 f. Period unknown.
 g. Advances against government and trustee securities by the major scheduled banks.
 h. End of quarter. i. 6 months deposits.
 j. Yield of 3 per cent paper (running yield) to earliest redemption date.
 k. Yield to maturity of 3 per cent bonds of 1938/75 on the Amsterdam Exchange, fully guaranteed by the Netherlands Government.
 m. Loans on or discounts of bills preferentially treated by Bank of Japan.
 n. Maximum money rates under the Temporary Money Rates Adjustment Law.
 p. Weighted yield (simple rate of interest) to latest redemption date of medium dated government bonds issued during the period stated.
 q. Yield to maturity of 3 per cent bonds of 1968.
 r. Rate of the Reserve Bank of India which was the central bank at the time.

15. CURRENCY AND BANKING

FINANCE

	1948	1949	1950	1951	1951		1952						
					I	IV	I	Jan.	Feb.	Mar.	Apr.	May	June
BURMA (mn. K.)													
Money Supply	505\$	610	596	650	640	606	722	663	747	755	..	..	..
Currency: Net active	335\$	405	388	431	439	388	500	461	514	524	..	..	..
Deposit money	169\$	205	208	219	201	218	222	202	233	231	232	242	253
Commercial Banks													
Total deposits	199*	233	246	260	238	260	265	246	274	273	..	..	..
Assets: Cash	72*	109	69	53	48	52	50	40	53	57	..	..	..
Short term: Government . . .	26	8	23	25	19	27	16	18	15	15	..	..	..
Short term: Other	67	60	100	153	170	151	194	192	203	187	172	169	156
Long term: Government . . .	—	—	7	8	7	8	9	9	9	9	..	..	..
Union Bank of Burma													
Deposits: Total	108*	149	226	379	277	472	350	389	304	357	..	..	..
Government ^a	3\$	2\$	63	59	63	77	67	80	57	65	48	29	118
State Boards and Industries .	102	46	141	274	173	340	240	276	204	241	271	325	273
Foreign Assets: Total	358\$	505\$	504	696	616	737	749	753	720	773	780	795	799
Local Assets													
Short term: Government . . .	6*	20	18	16	17	14	16	16	16	16	..	..	..
Short term: Other	—	—	—	—	—	—	2	2	2	2	..	..	..
Long term: Government . . .	10*	10	13	13	13	12	10	10	10	10	..	..	..
Bank Clearings	151	128	138	151	167	142	171	164	168	182	160	198	201
Business and individuals . .	105	100	112	128	139	121	144	140	138	153	133	167	178
Government	46	28	26	23	28	21	28	24	30	29	27	32	23
CAMBODIA, LAOS & VIET-NAM (mn. Pr.)													
Money Supply													
Notes: Total issued	3,497\$	3,843\$	4,523	5,762	5,224	6,363	..	..	..	..	..	..	..
Commercial Banks													
Total deposits	1,126	1,284	1,616	2,178	2,036	2,311	2,517	2,477	2,505	2,569	3,241	3,268	2,762
Assets: Short term	338	600	707	724	632	891	1,082	1,053	1,069	1,124	1,186	1,186	1,222
CEYLON (mn. Rs.)													
Money Supply	607\$	649\$	746	1,012	1,008	1,005	998	1,006	1,002	985	978	946	923
Currency: Net active	241	244	271	361	347	374	368	369	370	366	364	366	363
Deposit money	366\$	406\$	475	651	661	631	629	637	632	619	613	580	560
Commercial Banks													
Total deposits	641j	687	660	809	860	715	782	794	787	764	773	732	707
Assets: Cash	259j	284	151	209	204	212	192	185	200	193	190	215	187
Short term	127j	137	205	270	192	269	264	278	258	255	272	276	286
Long term	193j	230	187	218	217	220	224	222	224	224	225	225	224
Central Bank of Ceylon													
Deposit: Total . . . . .	..	..	189	250	224	253	221	244	221	199	172	191	173
Government . . . . .	..	..	20	54	32	59	45	76	36	23	7	7	12
Foreign assets: Total . . . .	..	..	533	660	617	678	633	661	637	601	566	571	522
Local assets													
Short term: Government . . .	..	..	14	14	14	14	16	14	12	23	29	24	43
Long term: Government . . .	..	..	4	2	1	3	3	3	3	4	13	28	33
Bank Clearings	396	461	549	692	672	696	686	721	651	687	661	730	650
CHINA: Taiwan (mn. NT\$)													
Money Supply . . . . .	..	199*	474	965	727	1,124	1,196	1,224	1,162	1,201	1,201	1,236	1,241
Currency: Total issued . . .	..	124*	249	396	315	450	518	533	503	519	522	563	573
Deposit money . . . . .	..	75*	225	569	413	673	677	691	659	682	680	673	668
Other Banks^b													
Total deposits . . . . .	..	38*	85	228	114	321	404	356	400	456	515	618	649
Assets: Cash ^c . . . . .	..	122*	31	92	24	146	164	149	169	173	237	351	375
Total loans . . . . .	..	27*	57	121	86	155	203	179	201	228	240	238	261
Bank of Taiwan													
Deposits: Total . . . . .	..	122*	431	733	533	900	981	933	989	1,023	1,131	1,857	1,969
Government . . . . .	..	76*	354	588	419	713	766	742	764	791	830	782	822
Local assets: Total loans . .	..	264*	847	520	489	637	781	746	757	841	881	809	850
Government loans . . . . .	..	234*	797	447	420	561	692	658	666	751	791	750	786
Bank Clearings . . . . .	..	83*	138	418	185	666	706	618	683	818	813	781	834
HONG KONG (mn. HK\$)													
Money Supply													
Notes: Total issued	778	840	803	805	807	801	799	800	799	798	798	798	799
Bank Clearings	689	917	1,199	1,506	1,615	1,393	1,291	1,335	1,324	1,214	1,114	1,210	989

FINANCE

15. CURRENCY AND BANKING—(Cont'd)

	1948	1949	1950	1951	1951		1952						
					I	IV	I	Jan.	Feb.	Mar.	Apr.	May	June
INDIA (1000 mn. Rs.)													
Money Supply	21.65	19.44	19.28	19.83	20.21	18.82	18.91	18.86	18.98	18.88	18.90	18.73	18.51
Currency: Net active	13.58	12.38	12.49	13.04	13.37	12.29	12.47	12.54	12.42	12.44	12.51	12.41	12.30
Deposit money	8.07	7.06	6.79	6.79	6.85	6.53	6.44	6.32	6.56	6.43	6.39	6.32	6.21
Scheduled Banks													
Total deposits	9.90	8.85	8.71	8.94	9.04	8.77	8.61	8.64	8.69	8.51	8.49	8.53	8.59
Assets: Cash	1.28	1.04	0.98	0.99	0.89	0.99	0.78	0.78	0.79	0.79	0.79	0.81	0.86
Short term	4.33	4.47	4.40	5.31	5.21	5.24	5.76	5.69	5.78	5.80	5.63	5.39	5.24
Long term	4.65 ^k	3.74	3.73	3.33	3.49	3.33	3.18	3.19	3.19	3.17	3.15	3.18	3.22
Reserve Bank of India													
Deposits: Total	4.29	3.10	2.94	3.27	3.03	3.44	3.22	3.24	3.25	3.18	2.61	2.34	2.35
Government	2.57	1.75	1.68	1.96	1.82	2.17	2.09	2.09	2.13	2.05	1.47	1.20	1.20
Foreign assets: Total	13.74	8.95	8.68	8.76	9.01	8.25	7.84	8.04	7.84	7.63	7.40	7.28	7.23
Banking Department	3.44	1.87	2.08	2.00	2.03	1.97	1.44	1.71	1.41	1.20	0.97	0.85	1.00
Issuing Department	10.30	7.08	6.60	6.76	6.98	6.28	6.40	6.33	6.43	6.43	6.43	6.43	6.23
Local assets:													
Short term: Government	0.01	0.03	0.02	0.05	0.03	0.06	0.05	0.08	0.07	0.01	0.01	0.01	0.01
Short term: Others	0.09	0.12	0.10	0.10	0.14	0.18	0.50	0.38	0.48	0.65	0.54	0.34	0.34
Long term: Total	2.83	5.01	5.21	5.83	5.70	5.71	5.69	5.69	5.69	5.67	5.41	5.42	5.39
Banking Department	0.75	1.00	0.76	0.95	0.93	1.03	1.02	1.01	1.01	1.02	0.76	0.77	0.74
Issuing Department	2.08	4.01	4.45	4.88	4.77	4.68	4.67	4.68	4.68	4.65	4.65	4.65	4.65
Bank Clearings	5.55	5.07	5.25	6.56	6.58	6.31	6.59	6.89	6.42	6.44	5.89	5.75	5.11
INDONESIA (mn. Rp.)													
Money Supply	2,828 ^s	3,310 ^s	3,467 ^j	4,810	4,621	5,003	5,195	5,096	5,108	5,382	..	..	..
Currency: Net active	1,463 ^s	1,747 ^s	2,081 ^j	3,006	2,707	3,231	3,330	3,334	3,223	3,434	..	..	..
Deposit money	1,365 ^s	1,563 ^s	1,386 ^j	1,806	1,914	1,772	1,865	1,762	1,885	1,948	..	..	..
Bank of Java													
Deposits: Total	902 ^m	729 ^m	997 ^m	903	1,122	798	1,066	806	861	1,034	1,166	1,223	1,157
Foreign assets: Total	502 ^m	531 ^m	725 ^m	1,743	1,497	1,915	2,761	1,988	3,094	3,201	3,332	3,513	3,478
Local Assets:													
Short term: Government	916 ^s	972	2,007	1,957	2,782	1,425	1,855	1,475	1,841	2,248	1,927	2,177	2,849
Short term: Others . . . . .	..	70	138	420	173	585	611	551	605	677	216	337	251
JAPAN													
Money Supply	572	690	809	1,063	987	1,138	1,198	1,180	1,174	1,240	1,222	1,224	1,264
Notes: Net active	338 ^s	294 [*]	315	397	378	434	431	440	431	423	433	417	431
Deposit money	234	396	494	665	609	704	767	740	743	817	789	807	833
All banks except Bank of Japan													
Total deposits	326	614	893	1,274	1,132	1,411	1,565	1,493	1,526	1,676	1,676	1,732	1,761
Assets: Cash . . . . .	..	23 ^s	22	28	29	28	37	34	33	43	38	34	37
Short term	248	497	826	1,248	1,029	1,470	1,545	1,531	1,528	1,576	1,611	1,644	1,690
Long term	68	115	117	155	141	171	180	176	180	184	193	196	201
Bank of Japan													
Deposits: Total	30	57	57	143	165	84	96	69	97	123	72	103	93
Government	10	35	38	119	140	57	71	43	71	97	47	61	57
Local assets:													
Short term: Government	69	94	78	44	51	41	39	39	39	40	38	38	38
Short term: Others	55	78	123	180	111	225	221	211	224	228	209	210	252
Long term: Government	154	182	144	118	133	98	93	86	93	100	151	154	139
Bank Clearings	236	549	808	1,232	1,066	1,348	1,265	1,148	1,268	1,378	1,443	1,475	1,504
KOREA, south (1000 mn. W.)													
Money Supply	43.0	68.4	132.3	521.4	375.8	649.3	700.3	680.7	703.6	716.6	..	..	..
Notes: Net active ^d	31.2	47.3	108.4	444.7	328.1 ^s	537.3 ^s	576.4	574.3	579.0	576.0	..	..	..
Deposit money	11.8	21.1	23.9	76.7	47.7	112.0	123.9	106.4	124.6	140.6	..	..	..
All Banks													
Total deposits	32.9	56.9	56.7 ⁿ	122.2	61.2	191.0	242.2	207.0	237.8	281.9	..	..	..
Assets: Cash	8.3	15.4	6.2 ⁿ	35.6	18.0	52.3	59.3	50.0	53.0	74.8	..	..	..
Short term: Others	28.4	45.6	79.7 ⁿ	105.4	65.8	171.4	218.5	210.3	220.5	224.8	..	..	..
Long term: Government . . . . .	..	..	3.6 ⁿ	3.2	1.9	5.3	6.9	6.2	6.6	7.8	..	..	..
Long term: Others	1.6	1.9	1.3 ⁿ	4.9	3.6	7.1	8.4	8.0	8.4	8.8	..	..	..
Bank of Korea													
Deposits: Total ^e	5.2	7.9	201.3 [*]	385.7	264.6	616.9	655.1	665.4	658.0	641.9	..	..	..
Government . . . . .	..	..	186.2 [*]	300.6	224.0	479.5	476.1	502.0	472.2	454.1	..	..	..
Foreign assets: Total . . . . .	..	..	58.5 [*]	98.5	72.4	187.9	227.4	233.1	239.4	209.7	..	..	..
Local assets:													
Short term: Government . . . . .	..	..	209.0 [*]	367.1	359.3	384.4	385.4	390.5	380.4	385.2	..	..	..
Short term: U.N. Forces . . . . .	..	..	28.8 [*]	234.4	88.7	385.5	505.9	476.8	503.9	537.0	..	..	..
Short term: Others	8.2	13.4	49.4 [*]	103.1	52.5	200.5	258.7	262.8	237.9	275.5	..	..	..
Long term: Government . . . . .	..	..	3.3 [*]	4.0	3.5	2.8	1.1	1.5	0.9	0.9	..	..	..
Bank Clearings	20.6	39.9	40.8	239.8	48.7	489.7	630.7	588.2	563.6	740.4	..	..	..
MALAYA (mn. MS)													
Money Supply	894	880	1,293	1,718	1,628	1,751	1,695	..	..	1,686	..	..	1,564
Currency: Net active ^f	296 ^j	304 ^j	406 ^j	629 ^j	599 ^s	655 ^s	636 ^s	..	..	635	..	..	618
Deposit money	598 ^s	576 ^s	887 ^s	1,089	1,029	1,096	1,059	1,053	1,071	1,051	1,030	980	946
All Banks													
Total deposits	678 ^s	684 ^s	1,041 ^s	1,265	1,189	1,281	1,246	1,237	1,257	1,243	1,226	1,238	1,206
Assets: Cash ^g	98 ^s	91 ^s	112 ^s	104	104	103	128	104	130	150	157	168	166
Short term	339 ^s	393 ^s	574 ^s	677	696	676	713	722	751	667	528	484	485
Long term	127 ^s	138 ^s	137 ^s	146	138	155	158	154	160	158	161	161	158
Debits to Current Deposits . . . . .	..	..	..	4,167	4,339	4,210	3,713	3,748	3,581	3,809	3,463	3,379	2,902

15. CURRENCY AND BANKING—(Cont'd)

FINANCE

	1948	1949	1950	1951	1951		1952						
					I	IV	I	Jan.	Feb.	Mar.	Apr.	May	June
PAKISTAN (mn. Rs.)													
Money Supply	2,386*	2,741	2,848	3,347	3,248	3,606	3,717	3,821	3,718	3,611	3,577	3,467	3,386
Currency: In circulation	1,333*	1,741	1,794	2,162	2,187	2,325	2,454	2,547	2,445	2,369	2,336	2,249	2,236
Deposit money	1,053*	1,000	1,055	1,184	1,061	1,281	1,263	1,274	1,273	1,242	1,241	1,218	1,150
Scheduled Banks													
Total deposits	1,092*	1,071	1,180	1,393	1,227	1,499	1,480	1,509	1,488	1,443	1,454	1,417	1,396
Assets: Cash	220*	204	149	200	129	211	158	168	159	148	150	143	160
Short term	322*	428	562	706	849	774	927	978	906	896	884	829	780
State Bank of Pakistan													
Deposits: Total	1,164*	1,015	792	969	957	870	838	807	841	865	779	730	594
Government	912*	794	604	758	811	663	674	638	669	713	624	577	444
Foreign assets:													
Banking Department	1,009*	722	344	582	577	503	..	358	379	..	..	..	..
Issuing Department	1,204*	1,618	1,272	1,381	1,321	1,533	1,610	1,677	1,627	1,527	1,527	1,427	1,325
Local assets:													
Short term: Government	117*	111	103	82	59	99	101	99	99	103	99	96	98
Short term: Others . . . . .	..	3	37	52	118	74	155	159	154	151	162	156	133
Long term:													
Banking Department	32*	178	269	232	179	194	265	128	177	488	430	393	291
Issuing Department	25*	97	469	689	784	698	732	765	715	715	665	665	766
Bank Clearings ^h	326*	334	460	551	695	587	628	656	645	582	548	496	400
PHILIPPINES (mn. P.)													
Money Supply	1,093	1,097	1,146	1,124	1,176	1,049	1,043	1,044	1,039	1,046	1,039	1,024	1,027
Currency: Net active	542	551	598	664	683	636	624	630	625	617	606	596	587
Deposit money	551	547	549	460	493	413	419	414	413	429	433	428	440
Commercial Banks													
Total deposits	870§	818	827	834	861	804	811	805	800	827	841	835	840
Assets: Cash	313	203	209	155	227	110	..	..	..	..	..	..	..
Short term . . . . .	..	563	536	606	544	669	733	739	732	727	712	698	674
Long term . . . . .	..	84	62	70	69	66	49	51	47	48	55	55	55
Central Bank of Philippines													
Deposits: Total . . . . .	..	144	164	212	185	236	245	245	247	243	251	249	253
Foreign assets: Total	400	607	482	539	561	499	486	490	480	487	493	487	491
Local assets:													
Short term: Others . . . . .	..	30	63	40	54	45	50	52	55	41	29	24	21
Long term . . . . .	..	20	130	210	163	235	240	241	241	240	235	235	235
Bank Clearings	381	443	462	457	453	465	491	527	460	486	485	523	484
Debits to Checking Account	772	723	674	733	759	710	732	808	674	712	723	742	706
THAILAND (mn. baht)													
Money Supply	3,117§	3,671	3,671	4,920	4,605	5,236	..	5,410	5,449	..	..	..	..
Currency: In circulation	2,205§	2,610	2,610	3,532	3,387	3,701	3,949	3,948	3,979	3,920	3,802	3,755	3,621
Deposit money	912§	1,061	1,061	1,388	1,218	1,535	..	1,462	1,470	..	..	..	..
Commercial Banks													
Total deposits	786	829	867	1,144	1,000	1,279	1,235	1,254	1,220	1,232	1,250	1,291	1,271
Assets: Cash	369	330	274	433	317	502	407	349	419	453	407	415	453
Short term	406	546	609	714	694	747	857	863	852	855	870	886	824
Long term	102	101	96	98	96	109	100	104	104	92	92	102	97
Bank of Thailand													
Deposits: Total	717	1,166	1,447	1,725	1,454	1,934	1,786	1,736	1,733	1,889	1,873	2,017	2,020
Government	338	444	455	427	309	492	356	382	317	369	329	407	353
Foreign assets: Total	2,180§	2,758	3,208	4,135	3,733	4,439	4,665	4,620	4,737	4,639	4,524	4,494	4,467
Local assets:													
Short term: Others	434	604	903	1,600	1,306	1,824	1,812	1,817	1,730	1,889	1,924	2,027	1,991
Long term:													
Banking Department	5	150	142	152	155	148	147	147	147	147	147	147	147
Issuing Department	951	755	500	621	512	836	1,309	1,310	1,309	1,309	1,309	1,309	1,302
Bank Clearings	774	1,112	1,544	2,057	2,100	2,253	2,515	2,425	2,555	2,566	2,187	2,328	1,976
Debits to Sight Deposit . . . . .	..	1,447§	1,973	2,786	2,930	2,980	3,185	3,263	3,217	3,074	2,793	3,932	2,774

GENERAL NOTES: All figures, excepting bank clearings, relate to end of month figures and their averages; bank clearings relate to monthly totals and their averages. *Net Active Currency:* Total currency outstanding less holdings in all banks including the central bank and in government treasuries. *Currency in circulation:* Total currency outstanding less holdings in all banks including the central bank. *Deposit money:* Deposits in all banks (including central bank) withdrawable by cheques but excluding inter-bank liabilities and central government deposits. *Cash of commercial banks:* Cash and balances with central bank. *Short term assets:* Short term assets such as loans, advances and bills discounted. *Long term assets:* Securities, bonds, debentures, etc. *Bank clearings:* Total value of cheques and other collection items cleared through clearing houses.

8 End of period.

- Deposits of central government includes ECA counterpart fund.
- Includes the Land Bank, Cooperative Treasury and three commercial banks.
- Balance with Bank of Taiwan only.
- Prior to 1952 annual averages are based on end-of-quarter figures.
- Figures for 1948 exclude treasury deposits, government deposits in foreign currency and special deposits for counterpart fund.
- Figures include British Borneo. g. Cash in hand only.
- Figures relate in 1948 and 1949 for 3 clearing houses in principal towns and as from 1950 for clearing houses in 4 towns; the clearings in the 3 towns being Rs. 362 and Rs. 461 million in 1950 and 1951.
- Average of end of quarter. k. Average of September-December.
- March. n. Average of January-April.

REVISED EXPLANATORY NOTE TO TABLE 13

Commodity description and market centres for quotations

COUNTRY	CENTRE	DESCRIPTION	COUNTRY	CENTRE	DESCRIPTION
RICE Burma China (Taiwan) India Indonesia Japan	Rangoon Taipei Calcutta Djakarta	Nagasien, 2nd Bazaar quality. 1st quality. B. Grade. Manufactured, quality B.B. Government fixed price to producers for medium quality rice includ- ing straw bags.	HEMP Philippines	Manila	—
Korea Pakistan Thailand Viet-Nam	Seoul & Pusan Dacca Bangkok Saigon	Cleaned, 1st grade. Medium. White, 35 per cent broken. Milled, white No. 1 (25 per cent broken).	COIR Ceylon India	— Cochin	Fibre mattress at buyers' stores. Yarn, real Alapat.
WHEAT India Korea Pakistan	Hapur Seoul & Pusan Karachi	Ordinary. Free market, first grade. Fair average quality.	SILK, RAW India Japan Korea	Malda Tokyo Seoul & Pusan	2400 Tana Kamru. 21 D, AA, Domestic. 28 Denier.
SUGAR China (Taiwan) India Indonesia Korea Pakistan Philippines Thailand	Taipei Kanpur Djakarta Seoul & Pusan Karachi Manila Bangkok	White, medium. D. 28. White. Refined. Refined. White, No. 1.	WOOL, RAW India Pakistan	Kalimpong Karachi	Tibetan. Sind white.
PEPPER Cambodia Malaya Thailand	Phnom-Penh Singapore Bangkok	White. Muntok, white. White.	HIDES China (Taiwan) India Pakistan Thailand U. S. A.	Taipei Calcutta Karachi Bangkok Chicago	Cow. Cow, salted, raw. Cow, 2.25, lbs. Cow, dried. Packers, green salted, steer heavy native, f.o.b.
TEA Ceylon China (Taiwan) India Indonesia Pakistan U. K. U. S. A.	Colombo Taipei Calcutta Djakarta Karachi — New York	Medium grown. Pouchong, medium. Clean, common pekoe, with export rights. B.O.P. Leaf, orange pekoe. Unit value of imports c.i.f. Black, standard grade. Ex. ware house.	RUBBER, NATURAL Ceylon Indonesia Malaya Thailand Viet-Nam U. S. A.	Colombo Djakarta Singapore Bangkok Saigon London New York	Contract quality R.S.S. No. 1. R.M.A.I. f.o.b. inclusive of export duties. R.S.S. No. 1 f.o.b. in bales. Mixed quality of four grades. R.S.S. No. 1 f.o.b. R.S.S. R.S.S.
TOBACCO China (Taiwan) India Pakistan Philippines	Taipei Calcutta Dacca Manila	Prepared. Leaf, Poolah. Dacca Leaf.	COAL China (Taiwan) India Korea Viet-Nam	Taipei Calcutta Seoul Saigon	Medium. Selected. Lignite, Pusan—anthracite. Coal (pieces 15/28 or 15/35).
VEGETABLE OIL AND OILSEEDS Ceylon China (Taiwan) India Indonesia Malaya Pakistan Philippines	Colombo Taipei Bombay Djakarta Singapore Chittagong Manila	Coconut white oil, naked wharf delivery. Peanut oil. Groundnut oil. Palm oil, export price f.o.b. Coconut oil, f.o.b. Mustard oil, Ghani. Coconut oil.	TIN Malaya Thailand U. K. U. S. A.	Singapore Bangkok London New York	Metallic tin, exworks. Tin metal 99 per cent. Refined tin 99.75/99.90 per cent for 1948-49, thereafter standard cash. Prompt Grade A 99.8 per cent or higher.
COPRA Ceylon India Indonesia Malaya Philippines Thailand U. S. A.	Colombo Cochin Makassar Singapore Manila Bangkok —	Estate No. 1 Fair average quality for 1948-1950; 1951 onwards selected. Sun-dried A. Sun-dried No. 1 Resecada. Bulk c.i.f. Pacific ports.	PIG IRON India Japan Korea	Calcutta Tokyo Seoul & Pusan	Foundry No. 1. Pig iron 2nd grade for casting for 1948-49, thereafter pig iron No. 2 for casting. Ingot.
COTTON, RAW China (Taiwan) India Korea Pakistan U. K.	Taipei Bombay Seoul & Pusan Karachi —	Medium. Jarilla spot, M.G.F.G. from 1948 to 1949. Bengal fine M.G. sub- stituted from January 1950. Second grade. 4 F (Punjab) R.G. American middling.	CEMENT China (Taiwan) India Japan Korea Pakistan Viet-Nam	Taipei Calcutta Tokyo Seoul & Pusan Karachi Saigon	Medium. Swastika F.W.L. 16 to 23. Portland, common, domestic. Dalmia. Tonkin "Dragon".
JUTE, RAW India Pakistan U. K. U. S. A.	Calcutta Narayangunj Daisee New York	First. Middle. 2/3 c. & f. through June 1951. Mill first c. & f. Dundee, there- after. Raw native first.	COTTON YARN China (Taiwan) India Japan Viet-Nam	Taipei Bombay Tokyo Saigon	20 s. 16 s. for 1948 to 1950, thereafter Madras 10 s. 20 s. single, cheese, domestic.
			COTTON FABRICS India Japan	Bombay Tokyo	Grey standard shirting. Shirting grey S/No. 2003, 3 8" export.
			JUTE BAGS India Pakistan	Calcutta Karachi	B. Twills. B. Twills.
			JUTE HESSIANS India U. K. U. S. A.	Calcutta Dundee New York	10 1/2 oz 40" 10 1/2 oz 40" 10 oz 40"

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TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED DURING THE FIRST HALF OF 1952¹

I. ECAFE INTRA-REGIONAL TRADE AGREEMENTS

Contracting parties	Period valid	Value of trade and types of commodities	Method of trade and payment	Remarks
Ceylon— India	1 January— 31 December 1952	Ceylon to exchange rubber, graphite, copra, coconut oil, peanut oil and timber for Indian manufactured, consumer and capital goods including 45 million yards of cotton textiles, 300,000 tons of coal for the railway, 25,000 tons of jute manufactures, 300,000 bales of cotton yarn for the handlooms.	Payment in national currency.	See also <i>Bulletin</i> , Statistical Supplement to Vol. II, page 19.
Indonesia— Japan	Up to 30 June 1952			Extension of the previous agreement.
Indonesia— Japan	1 July 1952— 30 June 1953	Tentative agreement: Indonesia exports \$48 million goods in exchange for imports of \$55—\$6 million from Japan. Major items of Indonesian exports include petroleum, \$10 million; raw rubber, \$16 million (25,000 tons); copra, \$750,000 (30,000 tons) and 20 other items. (scrap iron was removed from this agreement) The major item of Japanese exports is textiles, about \$40 million. If further agreement is reached regarding the settlements of payments, the total value of textiles will increase further.	In negotiating the new agreement for 1 July 1952 onward, Indonesia is reported to have proposed to pay the excess of the swing account one half in dollars and the other half on long-term basis, with 10% reduction. Japan accepted the first part of the proposal but rejected the second part. Japan suggested that payment of the other half be made in installments over a period of 12 or 18 months. Indonesia, however, counter-proposed that payments of the other part be deferred for 2 years, at the end of which period, the method of payment be negotiated, arguing that Indonesia should not be regarded as dollar-earning country in view of recent reduction in dollar demand for its export products. It also proposed that in the forthcoming trade agreement the swing account be fixed at 10 per cent of trade value.	In this tentative agreement matters other than the trade plan are also included, i.e. blanket clearance to Japanese shipping, stationing of Japanese agents in Indonesia for purchases of rubber and copra, easing of entry into Indonesia of representatives of Japanese firms and acceleration of development by the Indonesian Government of oil and iron ore mining resources, in order to achieve bigger exports to Japan.
Philippines— Japan	Up to 30 June 1952	See <i>Bulletin</i> , Vol. II, No. 3	See <i>Bulletin</i> , Vol. II, No. 3	The previous trade and financial agreements were drawn up by the SCAP and would have become void when the Japanese Peace Treaty became effective on 28 April 1952, as do all SCAP—negotiated agreements. In view of this fact the two governments agreed to extend the previous agreements up to 30 June 1952.
Thailand— India	1952	Thailand sells 160,000 tons of rice to India.	Payment in pound sterling at the free market exchange rate.	See <i>Bulletin</i> , Statistical Supplement to Vol. II.
Thailand— Japan	Up to 30 June 1952	See <i>Bulletin</i> Vol. II, No. 3		In view of the fact that the previous agreement signed by the SCAP became void upon the coming into effect of the Japanese Peace Treaty on 28 April 1952, the two governments agreed to extend the previous agreement up to 30 June 1952.

II. ECAFE COUNTRIES—EXTRA-REGIONAL COUNTRIES

Ceylon— Norway	Negotiation stage	Norway to exchange newsprint, steel goods, machinery, canned fish, beer, cod liver oil and dried fish for Ceylon's tea, rubber and coconut products.		
Ceylon— Sweden	Negotiation stage	Ceylon will export tea, rubber, latex, copra, coir and coir products and graphite in exchange for tea chests, paper, cement, medical supplies, surgical instruments and various types of hardware. In addition, technical assistance will be provided by Swedish concerns in connection with Ceylon's industrial development programme.		
China— Poland	One year, 11 July 1952 to 10 July 1953	China mainland will export metallic oils, cotton, graphite, raw materials for textile industries, leather, cereals, tobacco, tea, peanuts and other commodities in exchange for metal products, metals, various kinds of machinery, chemicals, paper and other industrial commodities from Poland.		Signed in Warsaw.

1. For Vol. II, No. 3 of the *Bulletin* published in February, 1952, page 19, the period valid for Pakistan—Iraq trade agreement should be corrected to read as '31 March 1951—30 March 1952' and the word 'other' on eighth line of text describing value of trade and types of commodities should be deleted.

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED DURING THE FIRST HALF OF 1952—(Cont'd)

II. ECAFE COUNTRIES—EXTRA-REGIONAL COUNTRIES—Continued.

Contracting parties	Period valid	Value of trade and types of commodities	Method of trade and payment	Remarks
China— USSR	One year	The agreement stipulates considerable expansion in exchange of goods to be made by the two contracting parties in the current year as against the 1951 level. The Soviet Union is to deliver to the People's Republic of China equipment and materials during 1952/1953 on account of credit granted under the Sino-Soviet agreement of 24 February, 1950. As usual China mainland will provide the Soviet Union with raw materials in exchange for metals and industrial goods, electrical generators and heavy industrial equipment.		
India— Afghanistan	Three years beginning 24 March 1952	The contracting parties agree to confer most-favoured-nation treatment to nationals of each country in matters relating to industry, trade and insurance in the territory of the other, and to provide similar treatment in regard to possession and management of properties, both movable and immovable, and subjection to taxes and duties. The treaty further provides for equality of treatment to the nationals of each country for free movement of goods through the territory of the other country.		Ratified on 25 January 1952 and to become effective two months after date of ratification. (See <i>Bulletin</i> , Statistical Supplement to Vol. II, 1952).
India— Sweden	One year extension for 1952	Same as previously. Sweden has undertaken to encourage industrialists to give the benefits of their experience in the development of Indian industries.	Sweden will continue to be treated as soft currency area unless a great change in the balance of payments calls for modification.	During the period April 1951 to February 1952 India's imports rose to Rs. 66 million against exports of Rs. 22 million. Sweden may purchase more tea, sports goods, brassware, cashewnuts, shawls, carpets, fishing rods, leather goods and cottage industries than had been previously imported from India.
India— Western Germany	1 November 1951— 31 October 1952	Two lists of goods have been drawn up for Indian exports to Germany. List A, which contains 33 items under liberal measures, includes tobacco, ores, goat and sheep skins, etc. List B includes quotas for a number of goods, including \$5 million of tea, \$5.38 million of textile materials and products and \$2.52 million of peanut oil, etc. Western Germany also agreed to provide technicians and technical assistance to India's industrial projects.	India agreed to free Western Germany imports from import restrictions and regard Western Germany as a soft currency country. Western Germany accorded liberal treatment to List A imports of Indian commodities as it did to OEEC countries.	
Indonesia— Austria	5 February 1952— 1 February 1953	Indonesia to exchange rubber, coffee, tea, tobacco and tin for imports from Austria mainly of steel, textiles, paper, electrical machinery, bicycles and a number of other finished products.	Balance of trade under licence.	Signed on 2 April. (See <i>Bulletin</i> , Volume II, No. 21).
Indonesia— France	1 May 1952— 30 April 1953	Indonesia will export agricultural produce to the value of 123.5 million Netherlands guilders in exchange for imports from France of industrial products, drugs, paper, textiles, transport equipment, electrical equipment, precision instruments, optical instruments and other goods to the value of 118.7 million guilders.		Concluded on 26 April 1952.
Indonesia— Norway	31 January 1952— 1 February 1953	Indonesia exports copra, rubber, peanuts in exchange for paper including wrap paper, celluloid, cod liver oil, fishery products and fishery equipment from Norway.	Presumably balanced trade under licence.	Signed on 18 March at Tugu, Indonesia.
Indonesia— Sweden		Indonesia exports copra, palm oil, spices, rubber and tin in exchange for matches, paper and various industrial products from Sweden.		Extension of the 1951-52 agreement (See <i>Bulletin</i> , Volume II, No. 1).
Indonesia— United States	Three years	Indonesia agrees to supply to United States with 18,000 to 20,000 tons of tin in each of the next three years, at \$1.18 per pound for the first two years f.o.b. Indonesian ports or \$1.20075 per pound c.i.f. U.S. ports. The price for the third year will be negotiated on the basis of conditions at that time. A "most-favoured nation clause" provides for a higher price should the United States pay more elsewhere, either contractually or in the free market. Indonesia will deliver 18,000 tons annually but should production drop, Indonesia would not be obliged to deliver more than 85% of its production. The agreement provides for an optional 2,000 tons annually, which Indonesia is free to sell either to the RFC or on the free market.	Bulk purchase with cash payment.	Under an old contract which expired at the end of 1st year, Indonesia exported 25,000 tons a year to the United States.

ECAFE

Contracting parties

Japan—

France

Japan—

Sweden

Malay

United

States

Pakistan—

France

Pakistan—

Hindu

Pakistan—

Switzerland

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TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED DURING THE FIRST HALF OF 1952—(Cont'd)

ECAFE COUNTRIES—EXTRA-REGIONAL COUNTRIES

Contracting parties	Period valid	Value of trade and types of commodities	Method of trade and payment	Remarks
Japan— France	1952	Japan's exports to the French Union, with France acting on behalf of the French Union, are estimated at US\$25 million, while imports from the French Union are planned at US\$41.43 million. The unbalanced trade plan was agreed upon in an effort to offset the 1951 trade deficit caused by Japan exporting substantially more to the French Union than its purchase. Principal Japanese exports to the French Union under this agreement will include raw silk, textiles, tea and other agricultural products, non-ferrous metals, metallic minerals, machinery and parts and cultured pearls. Japan's major imports from the French Union are to include rice, potash, anthracite coal, phosphate rock, iron ore, nickel ore, iron and steel scrap and essential oil.	On a dollar open account basis, with any balance above a stipulated amount to be payable in dollars on demand of the creditor country.	The Japan-French Union Trade and Financial Agreements — which govern trade between the two areas and are supplemented by the new trade plan—had previously been extended beyond the effective date of the Japanese Peace Treaty.
Japan— Sweden	5 March 1952— 4 March 1953	The plan for 1952 which supplements the agreement estimates Japan's exports to Sweden at \$17.36 million. Japanese exports include cotton yarn and fabrics, other textiles, agricultural products, machinery, chemicals, optical instruments, shell buttons and ceramics. Sweden's exports include rayon pulp, iron and steel products, machinery, pig iron, iron ore, ships, chemicals and pharmaceuticals, etc.	Trade to be conducted on the basis of dollar open account with any balance above \$4 million payable on demand of the creditor party.	Because of the coming into force of the Japanese Peace Treaty on 23 April 1952 the new agreement was signed by the Japanese Government. The agreement provides for the adoption of the trade plan on an annual basis. Signed on 5 March 1952.
Malaya— United States	1952	The United Kingdom acted for Malaya and Canada in a tripartite agreement for exchange of metals between the United States, the United Kingdom, Canada and Malaya. The United States will furnish the United Kingdom about one million tons of additional steel during 1952 and in return the United Kingdom will make available to the United States about 33 million pounds of Canadian aluminium originally earmarked for delivery to Great Britain. The resumption of United States tin import is also assured under the agreement that the United Kingdom Government furnish 22,000 tons of Malayan tin at a fixed price of US\$1.18 per pound during the year, which is roughly the average in the Singapore market in recent months.		
Pakistan— France	1 March 1952	France will supply principally railway equipment, textiles, machinery, and iron and steel products, in exchange for Pakistan's raw materials.		An extension of the previous agreement.
Pakistan— Hungary	1 January— 30 June 1952			Extension of the previous agreement.
Pakistan— Switzerland	1 January— 30 June 1952	(See the previous agreement)	Import permits are to be granted by each country up to 50 per cent of quotas originally established, except for commodities currently on the Pakistan free list. General import regulations issued by Pakistan provide that certain licences covering imports from the dollar area and other countries except Japan may also be used for imports from Switzerland. However, licences granted under the bilateral Swiss-Pakistan quota agreement are restricted to imports from Switzerland exclusively.	Pakistan's trade with Switzerland showed an import surplus of Rs. 11.5 million (imports: Rs. 13.2 million; exports: Rs. 1.7 million).
Pakistan— West Germany	1 July 1952— 30 June 1953	Under the agreement signed Pakistan will export goods valued at \$75 million including \$70 million of cotton and jute, in exchange for West Germany exports of \$64 million including iron and steel, machinery, non-ferrous metals and other essential and consumer goods.	Pakistan allows imports of a wide range of commodities under its open general licence which is also applicable to West Germany. On the other hand, West Germany has accorded Pakistan the advantages of its own OEEC liberal list to the widest possible extent.	The Agreement also provides for arrangements for technical assistance to Pakistan. An extension of 1951 agreement for half a year ending 30 June 1952 had been concluded previously.

ADDENDUM TO STATISTICAL SUPPLEMENT OF VOLUME I.

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED IN THE FOURTH QUARTER 1950

I. JAPAN—EACAF COUNTRIES

Contracting parties	Period valid	Value of trade and types of commodities	Method of trade and payment	Remarks
Japan—Sterling area	1 July 1950—30 June 1951	Total trade of £185.2 million. Sterling area's exports include grains, wool, cotton, crude oil, iron ore, salt, chemicals, rubber, hides and skins. Sterling area's imports include steel and steel manufacture, textiles, foodstuffs, machinery, glass-ware, paper and pottery. A balanced exchange of goods of £92.6 million each way is also provided for.	Issuance of licences towards balanced trade.	Signed at Tokyo on 29 November 1950. The participants from the sterling area countries are Australia, Ceylon, India, New Zealand, South Africa, United Kingdom and the British Colonies excluding Hong Kong.
Japan—Thailand	January—December 1951	Total trade of \$110 million. Thailand exports rice, soya beans, seeds, cotton seeds, hides, teak, gum and other raw materials. Thailand imports textile manufactures, industrial machinery and parts, structural steels, building materials, electrical appliances, paper and paper products, chemicals, rubber manufactures, enamel, aluminium, porcelain, rolling stock, shipbuilding and other manufactured products.	Issuance of licences towards balanced trade.	Signed at Tokyo on 27 December 1950. Trade to take place on an open account basis in terms of dollars. The present trade plan provides for a 22.2 per cent increase in trade over 1950's total trade plan of \$90 million.

II. EACAF COUNTRIES—EXTRA-REGIONAL COUNTRIES

India—Egypt		India exports \$7 million (estimated value) consisting of 13,000 tons of jute goods: 10,000 tons of cotton-bale covering, 1,000 tons of onion sacks and 2,000 tons of burlap. India imports 60,000 tons of rice valued at Egyptian £40.68 per ton (i.e. \$116.75 per ton).	Barter agreement	Concluded on 30 September. It was felt that barter between the two countries could be continued indefinitely, and reported that negotiations for another similar transaction would be started immediately.
India—Turkey		India's exports jute, tea and hides. India's imports long staple raw cotton, coarse grains and dry fruits.		Negotiations stage.
Indonesia—West Germany		Total trade 730 million Rupiah. Indonesia exports rubber, copra and palm oil, tin, tobacco and coffee. Indonesia imports iron and steel goods, locomotives, automobiles, bicycles, chemical products, optical instruments, textiles, glassware and paper.		Signed at Frankfurt on 5 January 1951.
Pakistan—Egypt	1 July 1950—30 June 1951	Pakistan exports jute, wheat, hides and skins, sports goods and animal guts, surgical instruments, potassium nitrate and soda ash, rosin, turpentine, dried fruits, grain, vermicellis and tea. Pakistan imports cotton yarn, cotton textiles, woollen blankets, woollen cloth, cigarettes, leather, paper and cardboard of all sorts, garlic, matches, starch for industrial purposes, buttons made of mother of pearl, silk and artificial silk, fabrics and yarn within certain limits. No quantities or value were shown as the intention was to promote trade up to the maximum possible extent.		Signed on 27 July 1950. Provision also made for goods to be carried equally by vessels of the two countries.
Pakistan—Hungary	Date of approval—31 Dec. 1951	Pakistan exports 4,000 tons of jute, 2,000 tons of cotton, 30 tons of tea, 3,000 tons of cotton seed cake, 3,000 tons of cotton seed, 300 tons of wool, 50,000 pieces of Persian lamb skins, 20,000 tons of wheat, 7,000 tons of rice and raw goat and sheep skins, raw cow hides, fish meal and sheep casings valued at \$315,000. Pakistan imports \$1.9 million consisting of cotton piecegoods (\$400,000), jute manufactures (\$145,000), agricultural machines, tractors and industrial machinery (\$330,000), chemicals excluding soda ash (\$100,000), electrometers and electric instruments, apparatus and fittings, (\$62,000), drugs and medicines (\$75,000), telephonic and telecommunication equipments etc. (\$75,000) and other manufactured goods.	Issuance of licences towards balanced trade, in two half yearly instalments to be valid for at least three months.	Signed in Karachi on 9 October 1950. Prices, quality etc. to be settled between exporters and importers. Trade plan not restrictive i.e. more trade to be promoted if possible. The quantities of agricultural commodities promised on the understanding that the crop is normal. Payments to be settled in pounds sterling.
Pakistan—Spain	22 January 1951—22 January 1952	Pakistan exports raw jute, raw cotton, cotton seeds, hides and skins, but imports light machinery and chemical products.		Signed in Madrid on 22 January 1951 for the first time between the two countries.
Pakistan—Switzerland	Period of one year after date of approval by governments	Pakistan export 33.9 million Swiss francs consisting of cotton (16 million Swiss francs), rice (6 million), wheat (2.5 million), jute (7.3 million) hides and skins (1.0 million), and other commodities such as sports goods, tea, dried fruits, resin, handicrafts etc. Pakistan imports 36.3 million Swiss francs consisting of chemicals, drugs and medicines (5 million francs), aluminium sheets, rods etc. (1 million francs), matches, clocks etc. (5 million francs), tools and workshop equipment (5 million francs), machinery and millwork (10 million francs), cotton and rayon piecegoods and cotton and artificial silk yarns (5 million francs) and other manufactured products.	Issuance of licences towards balanced trade.	Signed in Berne on 20 July 1950. Trade to ordinarily take place through normal channels and prices, quality etc. to be settled between exporters and importers. Trade plan not restrictive, i.e. more trade to be promoted if possible. The quantities of agricultural commodities promised on the understanding that the crop is normal. Payments to be made according to any monetary agreement applicable to payments between the two countries.

ADDENDUM TO STATISTICAL SUPPLEMENT OF VOLUME I.

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED IN THE FOURTH QUARTER 1950—(Cont'd)

III. ECAFE INTRA-REGIONAL TRADE AGREEMENTS

Contracting parties	Period valid	Value of trade and types of commodities	Method of trade and payment	Remarks
Burma— India		Burma exports 150,000 tons rice.	Rice contract.	Concluded in September/October 1950.
Indonesia— Thailand		Thailand exports 50,000 tons rice.	Rice contract.	Negotiations stage. Payment to be made in dollars.
Philippines— Thailand	January— Dec. 1951	Total trade valued at \$30 million. Thailand exports 150,000 tons rice.	Barter.	Negotiations stage. The total value of trade will constitute a 20 per cent increase over 1950's total trade plan of \$25 million.

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